

December 06, 2000

Utah Division of Oil, Gas, and Mining 1594 West North Temple, Suite 1210 Box 145801 Salt Lake City, UT 84114-5801

To Whom It May Concern:

Please find enclosed a permit for the drilling of the Quest #16-21 located in the SE SE of section 21 T11S R25E, Uintah County. Enclosed are the following materials:

- 1) Complete drilling plan (2copies).
- 2) Form 3 (2 copies).
- 3) Survey plats (2 copies).
- 4) A letter from the Division of Water Rights indicating our source of water (2 copies).
- 5) Affidavit on our surface agreement status with Cliff Synfuels (2 copies).

The Land is in fee and the surface is owned by Cleveland Cliffs Iron Company. Cleveland Cliffs has informed us that the well is located below the oil shale, geologic section.

Expected bottom hole pressure is 2085 lbs.

Estimated tops based on Anschutz Texas Creek #14-22 well are:

Green River:

Surface

Wasatch:

1320 feet

Mesa Verde:

2260 feet

Based on the previous Anschutz Texas Creek #14-22 fresh water will be less than 800 feet. Oil and gas zones will start at 1320 feet. Drilling plans to go to the base of the Mesa Verde Formation. No other mineral bearing zones are expected to be encountered in the well.

Please call me at the phone numbers and address given below if you have and questions. Thank you.

Sincerely.

Steven A. Tedesco

SAT\ctt Enclosures



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Steven A. Tedesco

SAT\ctt Enclosures RECEIVED

DEC 1 1 2000

DIVISION OF OIL, GAS AND MINING

FORM 3

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

AMENDED REPORT	
(highlight changes)	

	APPLICATION FO	R PERMIT TO	D DRILL		5. LEASE DESIGNATION AND	SERIAL NUMBER:
Puns 05 W0	PAK: DRILL REENTER	☐ DEEPEN			FEE 6. IF INDIAN, ALLOTTEE OR	TRIBE NAME:
1A. TYPE OF WO	AR. DITTLE AT THE LIVE LA	U DEEPEN			None	
B. TYPE OF WE		SIN	IGLE ZONE MULTIPLE ZON	VE 🔼	7. UNIT OF CA AGREEMENT N	
2. NAME OF OPE			1		8. WELL NAME and NUMBER	
Huntfor	d Resources Corp.	3	PHONE NUMBER:		Quest 16-21 9 FIELD AND POOL OR WILL	CAT:
	OPERATOR: 14530 E. Easter 000 onyEnglewood		0112 (303)617-7	151	Wildcat	JOA1.
Suite 1	WELL (FOOTAGES)	INIACO ZIP 6	0112 1(303/61/-//	404	10. QTR/QTR, SECTION, TOV	VNSHIP, RANGE,
AT SURFACE:	660' FWLFEL 660'FSL 400 470 PRODUCING ZONE: Same				MERIDIAN: SE SE 21 T11	LS R25E
13. DISTANCE IN	MILES AND DIRECTION FROM NEAREST TOWN CR	POST OFFICE:	<del></del>		11. COUNTY:	12. STATE:
57 7	45 miles North			l	Uintah	UTAH
	45 miles North	15 NUMBER C	F ACRES IN LEASE:	16 VI	JMBER OF ACRES ASSIGNED	TO THIS WELL
	,					
660 E.ES	LO 660 SEFWE COMPLETED, OR	160	ACRIU.	80	OND DESCRIPTION:	
APPLIED FOR	ON THIS LEASE (FEET)	18. PHOPOSES	DEPTH:			
In exce	ss of three miles	4800'			anket bond	
20. ELEVATIONS	(SHOW WHETHER DF, RT, GR, ETC.):	21. APPROXIM	ATE DATE WORK WILL START:		TIMATED DURATION:	
5650'		As soo	n as possible	Ten	Days	
23.	PROPO		ND CEMENTING PROGRAM			
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUA	ANTITY.	YIELD, AND SLURRY WEIGHT	
10 3/4"	J-55 24#/ft	350'	50-50 Poz 1.55 cf	f/sx	cu ft cemer	nt 78.5929
	8 5/8"		cu ft per lin ft	0.2	2415	
			50% excess 117.88	895	Sacks cement	76.05773
	· · · · · · · · · · · · · · · · · · ·		그 그 기가 된 그 그 그			.All
7 7/8"	J-55 10.5#/ft	4800'	Class G 1.2 ct/sx	x cu	ft per lin	ft 0.2277
	4 1/2"		cu ft cement 1092	2.96	10% excess	1202.256
			Sacks Cement 1001	1.8		
24.		ATTA	CHMENTS		RREIV	
VERIFY THE FOLI	OWING ARE ATTACHED IN ACCORDANCE WITH TH	E UTAH OIL AND GAS C	ONSERVATION GENERAL RULES:	He <sup>r</sup>	DEC 1 1	March 1973
WELL PLA	NT OR MAP PREPARED BY LICENSED SURVEYOR CA	R ENGINEER	COMPLETE DRILLING PLAN		DECIL	Land
EVIDENCE	E OF DIVISION OF WATER RIGHTS APPROVAL FOR	USE OF WATER	FORM 5, IF OPERATOR IS PE	RSON O	R COMPANY OTHER THAN TH	E LEASE OWNER
NAME (PLEASE P	All The Tedesco		TITLE President  DATE /2/6/	10		
This space for State	use only)		<del></del>			
	/ 4 ,					
API NUMBER ASS	IGNED: 43-047-33805	······································	APPROVAL			

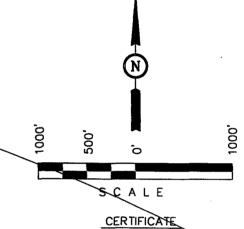
### T11S, R25E, S.L.B.&M.

## HUNTFORD RESOURCES CORP.

Well Location, SE/SE, located as shown in SE 1/4 SE 1/4 of Section 21, T11S, R25E, S.L.B.&M. Uintah County, Utah.

#### BASIS OF ELEVATION

BENCH MARK (V-61) LOCATED IN THE SE 1/4 OF SECTION 21, T11S, R25E, S.L.B.&M. TAKEN FROM THE DRAGON QUADRANGLE, UTAH-COLORADO, 7.5 MINUTE (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5590 FEET.



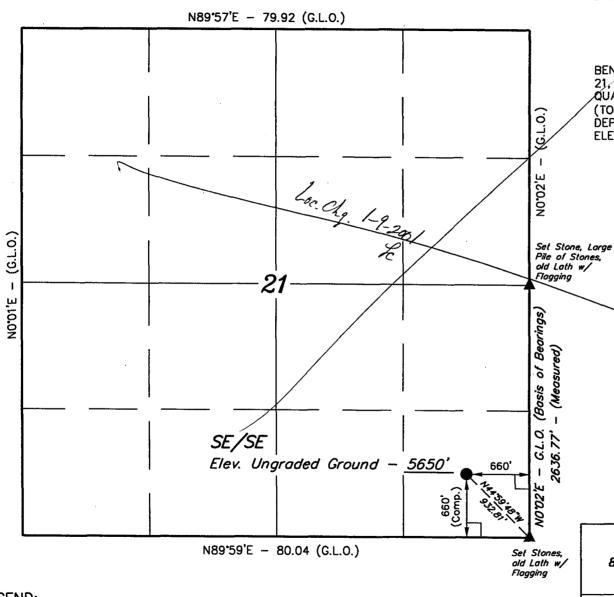
THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PARTARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME DA NINDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF

REGISTERED LAND SURVEYOR REGISTRATION NO. (1813)19

UINTAH ENGINEERING & LANDE SURVEYING 85 SOUTH 200 EAST - VERNAL, UTAH 84078

(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 8-22-00	DATE DRAWN: 9-5-00
PARTY C.B.T. B.L. D.COX	REFERENCES G.L.O. PLA	ΛT
WEATHER	FILE	
WARM	HUNTFORD RE	SOURCES CORP.



#### LEGEND:

\_\_ = 90° SYMBOL

= PROPOSED WELL HEAD.

= SECTION CORNERS LOCATED.

LATITUDE = 39.50.32" LONGITUDE = 109.06.56"

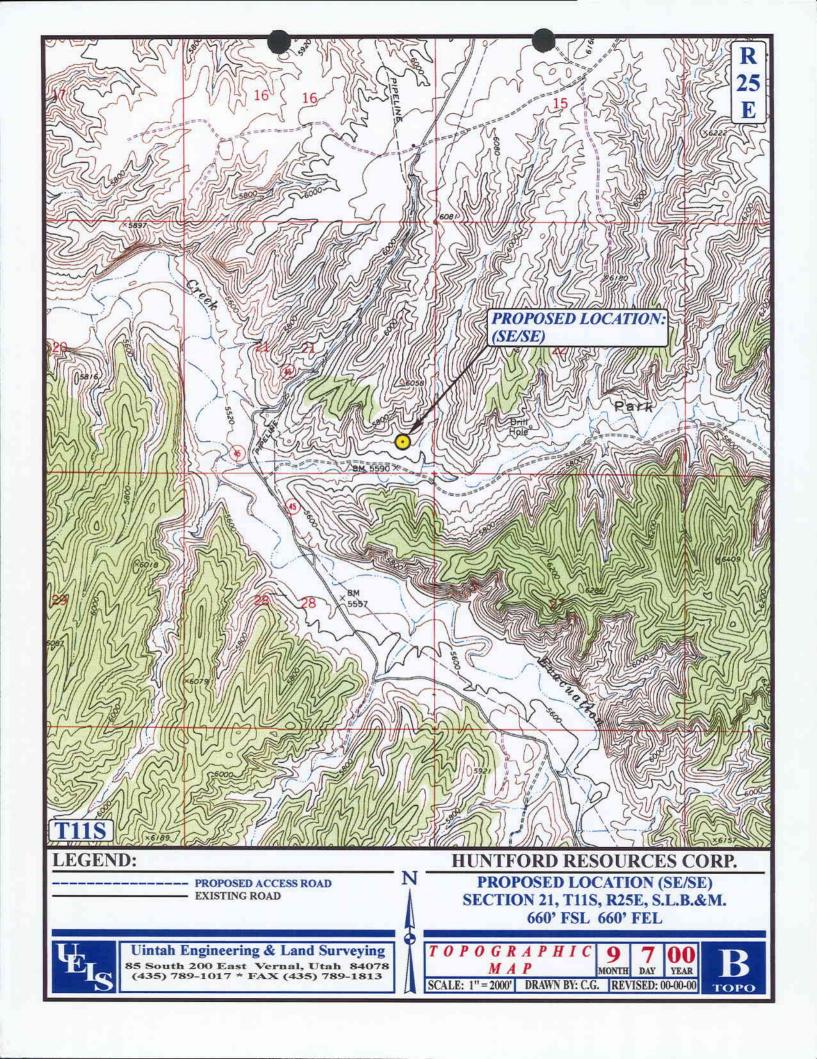
## Drilling Plan (ABBREVIATED)

## Quest 16-21

## SEC. 21-T11S-R25E UINTAH COUNTY, UTAH

12/1/2000 M G Wagner

- 1) PU a 10 ¾' bit and 6" droll collars, drill to 350' with fresh water and or spud mud. Circulate and condition hole. TOOH.
- 2) PU the following casing and cementing equipment:
  - a) Guide Shoe for 8 5/8" casing
  - b) 1 joint of 8 5/8", 24.4 ppf, J55 casing with centralizer and stop ring in center of joint
  - c) Float Collar for 8 5/8" casing
  - d) 8 5/8", 24.4 ppf, J55 casing to surface with centralizers every other joint
  - e) Cementing head
- 3) Cement with 50-50 pozmix (1.55 cu.ft./sk yield) and additives as necessary to bring cement to surface, estimated using hole diameter plus 50% excess. WOC minimum of 8 hrs.
- 4) Cut off surface casing and weld on 8 5/8", 3M casing head. NU 3M BOPE. Pressure test same to 500 psig and 3000 psig. BOPE will include:
  - a) Blind ram
  - b) Pipe ram
  - c) Rotating head for 750 psig surface pressure
  - d) 3M choke manifold
- 5) PU 7 7/8" bit and drill collars. Drill out of casing shoe with fresh water. Drill to 4800' TD using 4% KCL water/polymer. Take surveys per State requirements, or as deviation dictates.
- 6) At TD, run a GR/DIL/FDC/CNL/caliper log suite from TD to base of surface casing.
- 7) PU the following casing and cementing equipment:
  - a) Guide shoe for 4 ½" casing
  - b) 1 joint of 4 ½", 10.5 ppf, J55 casing with centralizer and stop ring in center of joint
  - c) Float Collar for 4 1/2" casing
  - d) 4 ½", 10.5 ppf, J55 casing to surface with centralizers across every prospective interval
  - e) Cementing head
- 8) Cement with Class G neat (1.2 cu.ft./sk yield) to surface using caliper log plus 10%. Reciprocate pipe if possible.
- 9) Land casing as cemented (full tension). Cut off and install tubing head and valve. RDMORT. Prepare to complete well.



**FAX COVER SHEET** 

Division of Water Rights Vernal Regional Office 152 East 100 North Vernal, UT 84078 (435)781-5327



TIME:\_\_. TO: NAME: AGENCY: **FAX NO:** FROM: NAME: Number of pages being transmitted, including cover sheet \_\_\_\_\_\_\_ COMMENTS:

14357898343

RECEIVED

JAN 27 2000

# FILING FOR WATER IN THE STATE OF UTAH

Rec. by <u>AC</u>
Fee Rec. 0 100 CH 2330
Receipt #\_\_\_\_\_

WATER RIGHT

### APPLICATION TO APPROPRIATE WATER

For the purpose of acquiring the right to use a portion of the unappropriated water of the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements to Title 73, Chapter 3 of the Utah Code Annotated (1953, as amended).

WATI	er right number: 49 - 1639	Application Number: 472674
1.	OWNERSHIP INFORMATION:	LAND OWNED? Yes
	A. NAME: Cliffs Synfuel Corp.  Gary D. Aho  ADDRESS: P.O. Box 1211, Rifle, CO 81650	•
	B. PRIORITY DATE: January 27, 2000	FILING DATE: January 27, 2000
2.	SOURCE INFORMATION:	
	A. QUANTITY OF WATER: 48.0 acre-feet	
	B. SOURCE: Existing Underground Water Well	COUNTY: Uintah
	C. POINT OF DIVERSION UNDERGROUND:  (1) N 465 feet E 1363 feet from SW corner, Section WELL DIAMETER: 6 inches  (25) D. COMMON DESCRIPTION: 10/SE of Bonanza	on 22, T 11S, R 25E, SLBM WELL DEPTH: 750 feet
3.	WATER USE INFORMATION:  IRRIGATION: from Apr 1 to Oct 31. IRRIGATING:	6.000 acres. See menuglection
BS TOM	Northwest Quarter	Section
	\$ 25E 22  1 1 2 100091	· · · · · · · · · · · · · · · · · · ·
	DOMESTIC: from Ian 1 to Dec 31 PERSONS: 10	C mones Praying
	OIL EXPLORATION: from Jan 1 to Dec 31. Oil or Natu	ral Gas Exploration
*	OIL RECOVERY: from Jan 1 to Dec 31. Oil recover	y and extraction activities
3000	Fixed Jime way want to	de medical spansoo

APPLICATION TO APPROPRIATE for Water Right: 49 - 1639 continued\*\*\*\*

Page: 2

LIMITATION(S): The Irrigation portion of this right is limited to the sole irrigation requirements of 6.0000 acres.

4. PLACE OF USE: (which includes all or part of the following legal subdivisions:)

										4-										•
D3.07 MOINY		NO					NO	RTH.	-EAS	ST¥		SOT	JTH.	WES	TY		SOI	mu.	EAG	STX
BASE TOWN RANG		MM	NE	SW	SE		NW	NE	SW	ŜE		NW	NE		SE		NW	NE	SW	:
SL 115 25B	21	<u>X</u>	X	X	X	***	X	X	X	X	***	x	Y	Y	X	***	7	***	3 N	SE
	22	X	X	X	х	***	Х	X	X	×	***	v	*	-	- A-	***		_ ス、	<u> </u>	<u>  X</u>
	23	iπ	X	X	х	***	· v	v	- V	v	***	32	-		_ A		X	X	_ X	<u> </u>
	26	X	X	Y		***		1 2	1 70	-	-		_X	X	X	***	X	X	X	X
	27	<del>- ;</del>	35		47		<u> </u>		_ <u> </u>	X	***	_X	<u> X</u>	Х	_ X	***	X	x	X	x
		!≙			_ X	***	X	X	<u> </u>	X	***	X	_ x	X	X	***	X	х	X	Y
	28	<u>X</u>	<u> </u>	X	X	***	X	X	_ X	X	***	X	Х	x	X	***	x	Y	v	1 2

#### 5. SIGNATURE OF APPLICANT(S):

The applicant(s) hereby acknowledge(s) that he/she/they are citizen(s) of the United States of America or intend(s) to become such a citizen(s). The quantity of water sought to be appropriated is limited to that which can be beneficially used for the purposes herein described. The undersigned hereby acknowledges that even though he/she/they may have been assisted in the preparation of the above-numbered application through the courtesy of the employees of the Division of Water Rights, all responsibility for the accuracy of information contained herein, at the time of filing, rests with

Signature of Applicant(s)

(WARNING: Wad Rights makes NO claims as to the accuracy of data. RUN DATE: 09/13.0000 Fage 1 WENTH: 19-1519 APPLICATION/CLAIM NO.: F72674 CERT, NO.: 49-1639 F72624 LC 12-18-2000 OWNER MISC: Sary D. Aho NAME: Claffs Synfuel Corp. ADDR: P.O. Box 1211 STATE: CO ZIP: 81650 INTERZET: STTV- Bille LAND OWNED BY APPLICANT? Yes 1 ..... FILING: 01/27/2000 RECVD 9Y: (DC8) {PRIORITY: 01/27/2000 ADV DESIG: 02/07/2000 BY: (9FW) | PAPER: Vernal Express TUE BEGAN: 03/01/2000| ZUB ENDED: 03/08/2000| FROTST END:03/28/2000| FROTESTED: [No ] | PROOP/PUB: 04/25/2000| EY:

A. P. DESIG: (Approved) A/3 DESIG: 08/29/2000| REGION FRG: [RWL] | APPROP: [KLJ] | MEMO DEC: [Yes] | APPR/RU (DC ] A/R DESIG: (Approved) |A/R DESIG: 08/29/2010 |REGION ENG: (RWL) | APPROP: [KLJ] | MEMO DEC: [Yes] | APPR/REJECT: (Approved) | APPR/REJ: 09/01/2000 |REGION ENG: (RWL) | APPROP: [KLJ] | MEMO DEC: [Yes] | APPR/REJECT: (Approved) PD Book No. Type of Right: FIND Status: APP Source of Info: APPL Map: Date Verified: 01/27/2000 Initials: DCB ..... FLOW: 48 0 some-feet SOURCE: Existing Underground Water Well COMMON DESCRIPTION: 10 miles SE of Bonamaa POINT OF DIVERSION -- INDERGROUND. (1) N 465 St E 1363 St Exom SW Cor, Sec 22, T 113, R 25E, SLBM DIAM: 8 1ns. DEPTH: 750 to St. YEAR DRILLED: 1995 WELL 1997 Y PLACE OF USE OF WATER RIGHT-ARRESTRIATER AND ARREST ARREST ARRESTRIATER AND ARREST ARR Sec 21 T 118 R 35E SLBM Sec 22 T 118 R 25E SLEM Sec 23 T 118 R 25E SLBM Sec 26 T 118 R 25E SLBM \* X: X: A: A: A \* X: X: X: X\* Sec 27 T 11S R 25E SLEM Sec 18 T 11S R 25E SLEM \* X: X: X: X\* \* X: X: X: X\* \* X: X: X: X\* ...... CLAIMS USED FOR PURPOSE DESCRIBED: 1639 Type of Reference -- Claims: Purpose: Remarks: Referenced To: Claims Groups: and the second s PERIOD OF USE: 01/01 TO 12/21 ###CIL EXPLORATION Cil or Natural Gas Exploration and Recovery. ...... The well was drilled under a temperary application

AND CONTROL OF THE CO

The well was stilled under a temperary application

PAGE 97

ADIAGENTANA CONTROL TO THE TRANSPORT OF THE PROPERTY OF THE PR

#### **AFFIDAVIT**

State of Colorado	}
	} ss
County of Arapaho	}

Steven A. Tedesco, whose address is 14550 East Easter Ave., Suite 1000, Englewood, Colorado 80112, being first duly sworn sates:

I am President employed by Huntford Resources Corporation, and I am familiar with the ownership of the surface of the following described parcels of land located in Uintah County, Utah, to wit:

#### Township 11 South, Range 25 East, Salt Lake Meridian Section 21: SE1/4 SE1/4 owned by Cliffs Synfuel Inc.

Between June of 2000 to November 15, 2000, Huntford and its agents have been in discussions with Gary Aho, President of Cliffs Synfuels, Inc. in an attempt to negotiate for the use of the surface and settlement of anticipated damages prior to entry upon the lands for the purpose of drilling the Quest #16-21 at a legal location of 660' FWL 660' FSL (SE SE) of Section 21, Township 11 South, Range 25 East, SLM.

On behalf of Huntford, I have made an offer to Cliffs Synfuels, Inc. which was fair, equitable and consistent with offers made by Huntford and accepted by other fee surface owners in the area for similar disturbances in the drilling of test wells for the production of oil and gas.

Cliffs Synfuels has constantly demanded additional compensation or terms that are not related to surface damage or surface use and are inconsistent with normal oil and gas operations.

Further affiant saith not.

Lettera M Leving
Notary Public

Address: 5141 S Cibralter C+
Levora CO 80015

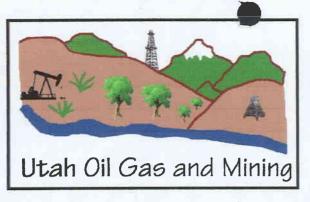
My commission expires: 5 - 22 - 04

API NO. ASSIGNED: 43-047-33805 APD RECEIVED: 12/11/2000 WELL NAME: QUEST 16-21 HUNTFORD RESOURCES CORP ( N1405 ) OPERATOR: CONTACT: STEVEN TEDESCO PHONE NUMBER: 303-617-7454 PROPOSED LOCATION: INSPECT LOCATN BY: SESE 21 110s 250E SURFACE: 0660 FSL 0660 FEL 420 FSL 460 FEL Tech Review Initials Date BOTTOM: 0660 FEL 0660 FEL 420 FSL 460 FEL Engineering UINTAH Geology 1 ) WILDCAT Surface 4-Fee LEASE TYPE: LEASE NUMBER: SURFACE OWNER: 4-Fre PROPOSED FORMATION: MVRD RECEIVED AND/OR REVIEWED: LOCATION AND SITING: /Plat R649-2-3. Unit Bond: Eed[] Ind[] Sta[] Fee 4] - Ceneral (No. 0621469550 - 4. 12/20/2000 Siting: 460 From Qtr/Qtr & 920' Between Wells Potash (Y/N) R649-3-3. Exception Oil Shale (Y/N) \*190-5 (B) or 190-3 Drilling Unit Water Permit Board Cause No: (No. 49-11,39 Eff Date: RDCC Review (Y/N) Siting: (Date: Doen Ut. 1-4-2001 + Comments due 1-29-2001 \_\_ Fee Surf Agreement (Y/N)) R649-3-11. Directional Drill Hud Prisite. ( Red 1-12-2001) COMMENTS: STATEMENT OF BASIS and certi STIPULATIONS: () HUNTTORD SHALL PROVIDE REVISED, SURVEY

(5) Surface agreement/min. restoration reg,

OIL SHALE

RDCC review.



**OPERATOR: HUNTFORD RESOURCES (N1405)** 

FIELD: WILDCAT (001)

SEC. 21, T11S, R25E,

COUNTY: UINTAH SPACING: R649-3-2/GEN ST

T11S R25E		
17	16	15
20	21 QUEST 16-21 ★	QUEST 10-22  QUEST 10-22  EVACUATION CRK FEE 1  QUEST 22-1 TEXAS CREEK 14-22  QUEST 16-22
29	<ul> <li>         ② QUEST 1-28     </li> <li>         ③ QUEST 2-28     </li> </ul>	27



Michael O. Leavitt Governor Kathleen Clarke Executive Director Lowell P. Braxton Division Director 1594 West North Temple, Suite 1210 PO Box 145801 Salt Lake City, Utah 84114-5801 801-538-5340 801-359-3940 (Fax) 801-538-7223 (TDD)

December 21, 2000

Mr. Steven Tedesco Huntford Resources Corporation 14550 E. Easter Avenue, Suite 1000 Englewood, CO 80112

Mr. Gary Aho Cliffs Synfuels Corporation 818 Taughenbaugh Boulevard Rifle, CO 81650

Re: Applications for Permit to Drill in Uintah County, Utah

Dear Mr. Tedesco and Mr. Aho:

On December 11, 2000, the Division of Oil, Gas and Mining ("the Division") received individual Applications for Permit to Drill ("APDs") from Huntford Resources Corporation ("Huntford") for the following wells located in Uintah County, Utah:

Quest #1-28	NW NW Section 28, Township 11 South, Range 25 East
Quest #2-28	SE NW Section 28, Township 11 South, Range 25 East
Quest #10-22	NW SE Section 22, Township 11 South, Range 25 East
Quest #16-21	SE SE Section 21, Township 11 South, Range 25 East
Quest #16-22	SE SE Section 22, Township 11 South, Range 25 East

As the staff of the Division has been reviewing these APDs for approval, they raised several concerns about the APDs, which I feel need to be addressed before approving the wells for drilling. I have presented the Division's concerns in the following paragraphs.

CD") to be used for bond coverage. The bank has represented to the Division that they cannot issue a CD solely in the name of the Division and also allow payment of interest on that account back to Huntford; rather, the bank desires to issue the CD jointly in the name of both the Division and Huntford. Rule R649-3-1 (10.2.3.2), Bonding clearly states that Certificates of Deposit "shall be made payable or assigned only to the Division both in writing and upon the records of the bank issuing the certificate." For this reason, the Division cannot accept the terms of the Certificate of Deposit presented by Wells Fargo Bank, and Huntford must resolve this matter to be in compliance with the Oil and Gas Conservation General Rules. Adequate bond coverage must be submitted to and accepted by the Division prior to issuing approvals for the subject APDs.

Page Two Steven Tedesco and Gary Aho December 21, 2000

- The APDs are all located within a Designated Oil Shale Area defined by order of the Board of Oil, Gas and Mining ("the Board") in Cause No. 190-3. I have been informed by Mr. Aho of Cliffs Synfuels Corporation ("Cliffs") and Mr. Robert Pruitt, Jr., attorney for Cliffs, that Cliffs maintains ownership interest in the oil shale resources within the Designated Oil Shale Area. They have also indicated that certain contractual negotiations between Cliffs and Huntford have broken down pertaining to Huntford's development of the gas resources of the area. Pursuant to Rule R649-3-27, Multiple Mineral Development, the Division's policy is to promote development of all mineral resources on land under its jurisdiction. Therefore, prior to approving the APDs, I request both Huntford and Cliffs re-establish efforts to negotiate a cooperative agreement as contemplated by the referenced rule. In order to determine the status of such negotiations and to facilitate continued processing of the APDs for approval, I also request a meeting with representatives of both of your organizations in the Division's office located in Salt Lake City at 10:00 a.m. on Thursday, January 4, 2001. Dependent on the outcome of that meeting, the Division may continue to process the APDs for approval or pursue further action as appropriate. At any time, multiple mineral developers may request a hearing before the Board in accordance with Rule R649-3-27 (4).
- 3. In conjunction with multiple mineral development negotiations, Huntford has indicated in three of the submitted APDs that they have been unable to negotiate a surface damage agreement with Cliffs. Prior to approval of the APDs, the Division wishes to verify that such negotiations have reached an impasse, and I expect that this can also be accomplished at the scheduled meeting in January.
- 4. All five of the APDs are within one mile of Huntford's Quest #22-1 well which was recently approved by the Division and which is currently in drilling status. Because little geologic and engineering data is available to establish appropriate well density and spacing requirements, the Division must consider the prudence of drilling wells in densely spaced clusters without adequate knowledge of reservoir properties and well drainage characteristics. I would like to discuss this issue with you at the January meeting along with the previously mentioned concerns.

If you cannot meet on the date proposed, please contact me as soon as possible to reschedule the meeting. Please contact either myself at (801) 538-5334 or Earlene Russell at (801) 538-5277. I look forward to meeting with both of your organizations.

Sincerely,

John R. Baza

Associate Director

er cc:

Mr. Robert Pruitt, Jr.

Mr. Phil Lear

file

# STATE ACTIONS State Clearinghouse Coordinator 116 State Capitol, SLC, UT 84114 538-1535

1. Administering State Agency	2. State Application Identifier Number: (assigned by
Oil, Gas and Mining	State Clearinghouse)
1504 West North Temple, Suite 1210	
Salt Lake City, UT 84114-5801	
·	3. Approximate date project will start:
	Upon Approval
4. Areawide clearinghouse(s) receiving state action: (to be sent	out by agency in block 1)
Uintah Basin Association of Governments	
5. Type of action: //Lease /X/Permit //License //La	nd Acquisition
	_
//Land Sale //Land Exchange //Other	
6. Title of proposed action:	
Application for Permit to Drill	
7. Description:	
Huntford Resources Corp. proposes to drill the Quest 16-21 well (wi	ldcat) on Gas FEE lease, Uintah County, Utah. This action
is being presented to the RDCC for consideration of resource issues	affecting state interests. The Division of Oil, Gas and
Mining is the primary administrative agency in this action and must	issue approval before operations commence.
8. Land affected (site location map required) (indicate county)	
SE/4, SE/4, Section 21, Township 11 South, Range 25 East, Uin	tah County, Utah
9. Has the local government(s) been contacted?	
No	
·	
10. Possible significant impacts likely to occur:	
200 2 000002 organization in provide a contract of the contrac	
Degree of impact is based on the discovery of oil or gas in con	nmercial quantities.
Degree of impact is outside on the discovery of on or gas in con-	Ammorator demonstration
11. Name and phone of district representative from your agency	near project site, if applicable:
11. Name and phone of district representative from your agoney	near project site, ir approved
·	
12. For further information, contact:	13. Signature and title of authorized officer
12. For further information, contact.	15. Signature and title of authorized officer
	(C), $O$
Lisha Cordova	
	John / Ouga
Phone: (801) 538-5296	John R. Baza, Associate Director
	Date: January 4, 2001
	Date January 4, 2001

STATE OF UT

DEPARTMENT OF NATURAL

DIVISION OF OUR CAS

STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL, GAS AND MININ

AMENDED REPORT	
(highlight changes)	

FORM 3

	APPLICA	TION FOR	PERMIT T	O DRILL			5. LEASE DESIGNATION AN	ID SERIAL NUMBER:
1A. TYPE OF W	ORK: DRILL X	REENTER [	DEEPEN			<del></del>	6. IF INDIAN, ALLOTTEE OF	TRIBE NAME
		OTHER				الحات ما	None 7. UNIT OF CA AGREEMENT	NAMÉ:
8. TYPE OF WE	ELL: OIL GAS 🔀	OTHER	SIN	NGLE ZONE [	MULTIPLE ZO	ΛΕ [Λ	None	
2. NAME OF OPI	ERATOR:			1			8. WELL NAME and NUMBE	R:
Huntfor	d Resources Co	orp.		, · ·	*		Quest 16-21	
3. ADDRESS OF	OPERATOR: 14530 E.	Easter A	ve,		PHONE NUMBER:		9 FIELD AND POOL, OR WIL	DCAT:
Suite 1	000 /455 PryEng	Lewood STAT	ŒCO ≅P8	0112	(303)617-7	<u>454</u>	WILCAT  10. QTR/QTR, SECTION, TO	111101110
	660' FWLFEL660		441	1715 H			MERIDIAN: SE SE 21 T1	·
AT PROPOSED	PRODUCING ZONE: Same		الماما	1233 E				
13. DISTANCE IN	I MILES AND DIRECTION FROM NE	AREST TOWN CR POS	T OFFICE:		<del></del>		11. COUNTY:	12. STATE:
77	45 miles Newb	h						UTAH
	45 miles Nort		15. NUMBER O	OF ACRES IN LEA		16. V	Uintah UMBER OF ACRES ASSIGNED	TO THIS WELL:
~~~~	e = − αάδι entre	,				ı		
	L5 660 SFWE COM		160	O DEPTH:		80	OND DESCRIPTION:	
APPLIED FOR	R) ON THIS LEASE (FEET)	•	10.11101 002	J 00, 111.		1		
	ss of three mi		4800 L	IATE DATE WORK	C.VII.L START		anket bond	
		,-				1	n Days	
<u>5650'</u>		<del></del>	As soo	n as po	ssible	1151	Days	
23.		PROPOSE	ED CASING A	ND CEMEN	TING PROGRAM			
SIZE OF HOLE	CASING SIZE, GRADE, AND WE	IGHT PER FOOT	SETTING DEPTH		CEMENT TYPE, QU	ΑΝΠΤΥ.	YIELD. AND SLURRY WEIGHT	Γ
10 3/4"	J-55 24#/ft	3	50'	50-50	Poz 1.55 c	f/sx	cu ft ceme	nt 78.592
	8 5/8"			cu ft	per lin ft	0.2	22415	
				50% ex	cess 117.8	895	Sacks cemen	t 76.0577
7 7/8"	J-55 10.5#/f	t 4	800'	Class	3 1.2 ct/s	x cu	ft per lin	ft 0.227
	4 1/2"			cu ft	cement 109	2.96	10% excess	1202.256
				Sacks	Cement 100	1.8		
24.			ATTA	CHMENTS				
VERIEY THE FOLL	LOWING ARE ATTACHED IN ACCO	BOANCE WITH THE UT		<del></del>	SNSDAL OULSS.	-		
VEI III C III C I GC	COMING ALL ALLACHED IN ACCO.	HOANGE WITH THE UT	AH CIE AND GAS C	CNSERVATIONG	ENEMAL MULES:			
WELL PLA	NT OR MAP PREPARED BY LICENS	ED SURVEYOR CR EN	GINEER	CCA	PLETE DRILLING PLAN			
- EVIDENCE	E OF DIVISION OF WATER RIGHTS	ABBBOVAL SOBJES	CEWATER		N. C. IE ODEDATOR IS SE			IC LC LCC OURIER
=A1051404	E OF DIVISION OF WATER RIGHTS	AFFROVAL FOR USE	CF WATER	L FCF	M 5, IF OPERATOR IS PE	HSCN O	R CCMPANY OTHER THAN TI	HE LEASE OWNER
			<del></del>	<u> </u>				
NAME (PLEASE P	RINT Steven A T	edesco	· <del></del>	TITLE	President			
SIGNATURE	Ah a Tod			DATE	12/6/8	2		
This space for State	Luce coly)				//			
ins spiles für Stätt	- ued Unity							

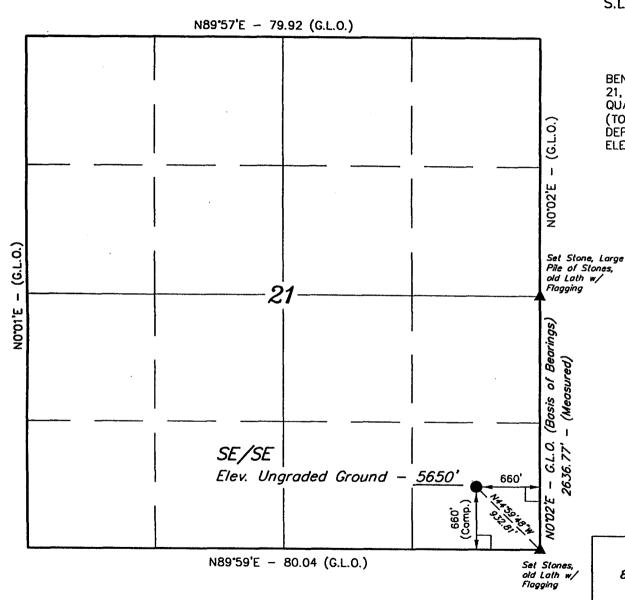
5/2000)

API NUMBER ASSIGNED:

43-047-33805

APPROVAL

### T11S, R25E, S.L.B.&M.

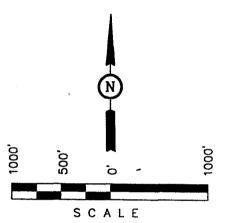


#### HUNTFORD RESOURCES CORP.

Well Location, SE/SE, located as shown in SE 1/4 SE 1/4 of Section 21, T11S, R25E, S.L.B.&M. Uintah County, Utah.

#### BASIS OF ELEVATION

BENCH MARK (V-61) LOCATED IN THE SE 1/4 OF SECTION 21, T11S, R25E, S.L.B.&M. TAKEN FROM THE DRAGON QUADRANGLE, UTAH-COLORADO, 7.5 MINUTE (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5590 FEET.



#### CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT, TO THE BEST OF MY KNOWLEDGE AND BELIFF.

REGISTERED LAND SURVEYOR REGISTRATION NO. 1/26/319
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING

85 SOUTH 200 EAST - VERNAL, UTAH 84078

(435) 789-1017

1" = 1000'	DATE SURVEYED: DATE DRAWN: 8-22-00 9-5-00				
PARTY	REFERENCES				
C.B.T. B.L. D.COX	G.L.O. PLAT				
WEATHER	CII C				

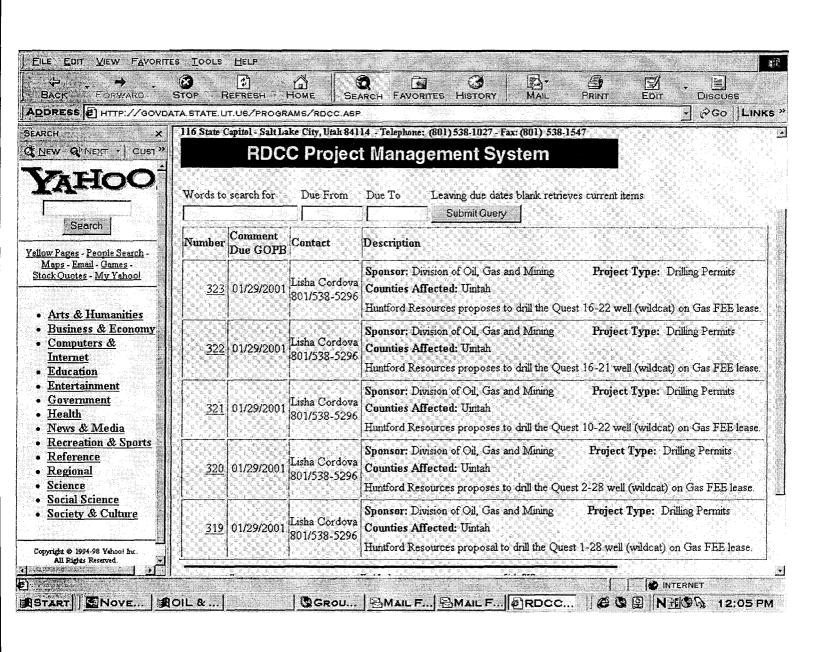
#### LEGEND:

\_ = 90° SYMBOL

= PROPOSED WELL HEAD.

CENTION CORVIEDE LOCATED

LATITUDE = 39'50'32" LONGITUDE = 109'06'56"



Well name:

01-01 Huntford Quest 16-21

Operator:

Huntford

String type:

Production

Location:

Uintah Co.

Project ID:

43-047-33805

Design parameters:

**Collapse** 

Mud weight:

Design is based on evacuated pipe.

8.540 ppg

Collapse: Design factor

Minimum design factors:

1.125

**Environment:** 

H2S considered? Surface temperature:

No 65 °F 132 °F

Bottom hole temperature: Temperature gradient:

1.40 °F/100ft

Minimum section length:

368 ft

**Burst:** 

Design factor

Tension:

8 Round STC:

8 Round LTC:

1.00

1.80 (J)

1.80 (J)

Cement top:

1,231 ft /

**Burst** 

Max anticipated surface

pressure: Internal gradient: Calculated BHP

0 psi 0.444 psi/ft 2,129 psi

No backup mud specified.

Premium: Body yield:

**Buttress:** 1.60 (J) 1.50 (J) 1.50 (B)

Tension is based on air weight. Neutral point: 4,190 ft Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	4800	4.5	10.50	J-55	ST&C (Assumbo)	4800	4800	3.927	100.3
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	2129	4010	1.88	2129	4790	2.25	50	132	2.62 J

Prepared

R.A.McKee

by: Utah Dept. of Natural Resources

Date: January 8,2001 Salt Lake City, Utah

**ENGINEERING STIPULATIONS: NONE** 

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 4800 ft, a mud weight of 8.54 ppg. The casing is considered to be evacuated for collapse purposes. Burst strength is not adjusted for tension.

Well name:

01-01 Huntford Quest 16-21

Operator:

Huntford

String type:

Location:

Surface

Uintah Co.

Project ID:

43-047-33805

Design parameters:

Collapse

Mud weight: Design is based on evacuated pipe.

8.330 ppg

Minimum design factors:

Collapse:

Design factor 1.125 **Environment:** 

H2S considered?

65 °F Surface temperature: 70 °F Bottom hole temperature:

Temperature gradient:

1.40 °F/100ft

Minimum section length:

185 ft

No

Burst:

Design factor

1.00

1.80 (J)

Cement top:

Surface

**Burst** 

Max anticipated surface

No backup mud specified.

pressure: Internal gradient: Calculated BHP

0 psi 0.433 psi/ft

151 psi

Premium:

**Tension:** 8 Round STC:

8 Round LTC: 1.80 (J) **Buttress:** 1.60 (J) 1.50 (J)

Body yield: 1.50 (B)

Tension is based on air weight. Neutral point: 306 ft

Non-directional string.

Re subsequent strings: Next setting depth:

4,800 ft Next mud weight: 8.330 ppg 2,077 psi Next setting BHP: Fracture mud wt: 19.250 ppg

Fracture depth: Injection pressure 350 ft 350 psi

Run Seq	Segment Length (ft) 350	<b>Size</b> (in) 8.625	Nominal Weight (lbs/ft) 24.00	Grade J-55	End Finish ST&C	True Vert Depth (ft) 350	Measured Depth (ft) 350	Drift Diameter (in) 7.972	Internal Capacity (ft³) 16.9
Run Seq	Collapse Load (psi) 151	Collapse Strength (psi) 1370	Collapse Design Factor 9.05	Burst Load (psi) 151	Burst Strength (psi) 2950	Burst Design Factor 19.48	Tension Load (Kips) 8	Tension Strength (Kips) 244	Tension Design Factor 29.05 J

Prepared

R.A.McKee

Utah Dept. of Natural Resources by:

Date: January 8,2001 Salt Lake City, Utah

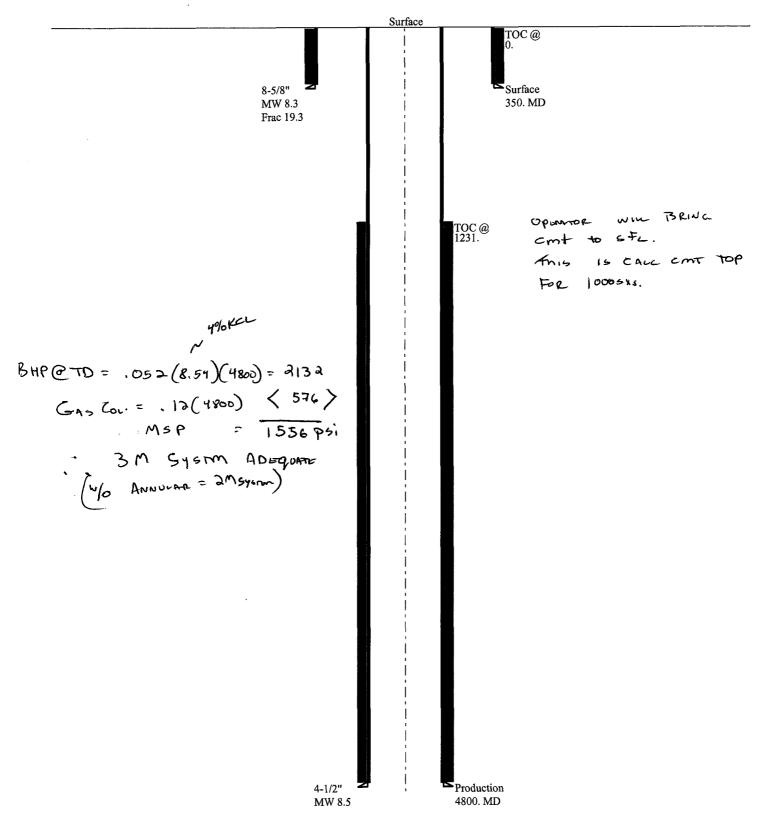
**ENGINEERING STIPULATIONS: NONE** 

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 350 ft, a mud weight of 8.33 ppg The casing is considered to be evacuated for collapse purposes. Burst strength is not adjusted for tension.

## 01-01 Huntford Quest 16-

**Casing Schematic** 



Olfo especient

In order to protect designated oil shale and any near surface ground water, cement for the surface casing shall be brought up to ground level. Should the primary cement job prove unsuccessful, subsequent 1 inch operations shall be performed.

# Huntford APD

- BDP schundre, BA passiver, cring throad type - count-oil shale some? To surface

- Map Showing Acerss to location

- Bragnons showing well ste local

(to defercione Eresson combrol, stability + pot (may).

- Responsible + 4 no-cledoble person at onsite.

FINDS verled to complete APB + Rlow Staff to complete onste Evaluation + betweener siter restoration regularments without surf-agrenant + determine what is necessary to meet R699-3-15 Pollution + Surface Brings Control. 3036177442

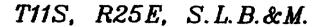
# STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT (highlight changes)

	APPLICATION FOR	PERMIT TO	DRILL	5. LEASE DESIGNATION AND SERIAL NUMBER:
1A, TYPE OF WO	DRK: DRILL X REENTER	DEEPEN		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
5. TYPE OF WE	ELL: OIL GAS 💽 OTHER	T HANT AS OF A COMPANY MANY.		
2. NAME OF OPE		None		
Usen + F	and Bassimas Com			Quest 16-21
3. ADDRESS OF	1000 14550 EF LESSE	Ave. 80	112 PHONE NUMBER: 112 303-617-74	.5/. 1
4 LOCATION OF	WELL (FOOTAGES)	TATE ZP	The Marie III was a	10. QTR/QTR, SECTION, TOWNSHIP, RANGE.
AT SURFACE:	PRODUCING ZONE: Setting	WENL	661233E	SE SE 21 11S 25E
13. DISTANCE IN	MILES AND DIRECTION FROM NEAREST TOWN OR I	OST OFFICE:		11. COUNTY: 12. STATE:
Vernal	45 Miles North			Uintah
	•		FACRES IN LEASE:	
17 DISTANCE TO	SL 420 FEL. D NEAREST WELL (DRILLING, COMPLETED, OR		DEPTH:	19. BOND DESCRIPTION:
2600 T	R) ON THIS LEASE (PEET)	48001		Rlanket Rond
20 ELEVATIONS	(SHOW WHETHER DF, RT. GR, ETC.):		ATE DATE WORK WILL START:	22. ESTIMATEO DURATION:
5600' (	Ground Level	As soo	n as possible	Ten Days
23.	PROPO	SED CASING A	ND CEMENTING PROGRAM	
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH		
10 3/4	J-55 24#ft	500'	50-50 Poz 1.55 c	ef/sx cu ft cement 112.075
	8 5/8" STEC(UM)		cu ft per lin ft	0.22415
			50% excess 168.1	125 Sacks cement 108.460
	Same of the same o			
7 7/8"	J-55 10.54/ft	4800'	Class G 1,2 ct/s	ex cu ft per lin ft 0.2277
	4 1/2" RT92(Pm)		cu ft cement 109	2.96 10% excess 1202.256
			Sacks cement 100	01.8
24.		ATTA	CHMENTS	EGEIVE IN
VERIFY THE FOL	LOWING ARE ATTACHED IN ACCORDANCE WITH THE	UTAH OIL AND GAS C	ONSERVATION GENERAL RULES:	
	AT OR MAP PREPARED BY LICENSED SURVEYOR OR		OOMPLETE DRILLING PLAN	JAN - 9 2001
T EVIDENO	E OF DIVISION OF WATER RIGHTS APPROVAL FOR U	SE OF WATER	FORM 5. IF OPERATOR IS PE	DIV OF OIL, GAS & MINING
NAME (PLEASE F	PRINT) Steven A. Tedesco		nne Presedent	
SIGNATURE	IBA. Til	· · · · · · · · · · · · · · · · · · ·	1/9/2	
			DATE	
(This space for Stat	a ueo omy)		Apriliants	Approved by the
	1/- 1/2			Utah Division of
api numbér ass	13-047-33805	SINGLE ZONE MULTIPLE ZONE NOTE  BE COTP.  BY STATE  OUGE 1 16-21  PHONE NUMBER  OUGE 1 16-21  PHONE NUMBER  OUGE 1 16-21  PHONE NUMBER  OUGE 1 16-21  WILLOAM  SPECUAL POOL OF WILLOAM  WILLOAM  SE SE 21 11S 25E  WILLOAM  SE SE 21 11S 25E  ON NEAREST TOWN OR POST OFFICE  II. COUNTY:  UINTAH  UINTAH  IS. STATE  UTAH  UINTAH  AS OND  15. PROPOSED DEPTH.  4800'  SA SOOTH AS POSSIBLE  FOR ETC.):  PROPOSED CASING AND CEMENTING PROGRAM  NO WEIGHT PER POOT  SETTING DEPTH  CEMENT TYPE QUANTITY, WELL, AND SLURRY WEIGHT  STELL  SOOTH AS SOOTH AS DO STATE  OUTAH  OUTAH  AS SOOTH AS SOOTH AS DO STATE  OUTAH  OUTAH  AS SOOTH AS POSSIBLE  PROPOSED CASING AND CEMENTING PROGRAM  NO WEIGHT PER POOT  SETTING DEPTH  CEMENT TYPE QUANTITY, WELL, AND SLURRY WEIGHT  STELL  SOOTH AS SOOTH AS DO STATE  OUTAH  CEMENT TYPE QUANTITY, WELL, AND SLURRY WEIGHT  STELL  SOOTH AS SOOTH AS DO STATE  OUTAH  AS SOOTH AS SOOTH AS DO STATE  OUTAH  CEMENT TYPE QUANTITY, WELL, AND SLURRY WEIGHT  STELL  SOOTH AS SOOTH AS DO STATE  OUTAH  CEMENT TYPE QUANTITY, WELL, AND SLURRY WEIGHT  STELL  SOOTH AS SOOTH AS DO STATE  OUTAH  AS SOOTH AS SOOTH AS DO STATE  OUTAH  OUTAH  OUTAH  CEMENT TYPE QUANTITY, WELL, AND SLURRY WEIGHT  STELL  SOOTH AS SOOTH AS DO STATE  OUTAH  AS SOOTH AS SOOTH AS DO STATE  OUTAH  OUTAH  OUTAH  10 AND STATE  OUTAH  11 COUNTY:  UITHAH  12 STATE  OUTAH  13 STATE  OUTAH  14 STATE  OUTAH  15 STATE  OUTAH  16 AND STATE  OUTAH  16 AND STATE  OUTAH  16 AND STATE  OUTAH  OUTAH  17 STATE  OUTAH  OU		
			Data:	1/12/2001
(5/2000)		(See Instruction	ns on Reverse Side)	I P. Bus
			l	7

53

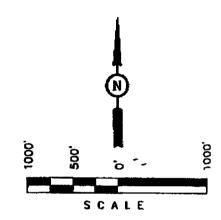


#### HUNTFORD RESOURCES CORP.

Well Location, SE/SE, located as shown in SE 1/4 SE 1/4 of Section 21, T11S, R25E, S.L.B.&M. Uintoh County, Utah.

#### BASIS OF ELEVATION

BENCH MARK (V-61) LOCATED IN THE SE 1/4 OF SECTION 21, TIIS, R25E, S.L.B.&M. TAKEN FROM THE DRAGON QUADRANGLE, UTAH-COLORADO, 7.5 MINUTE (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5590 FEET.



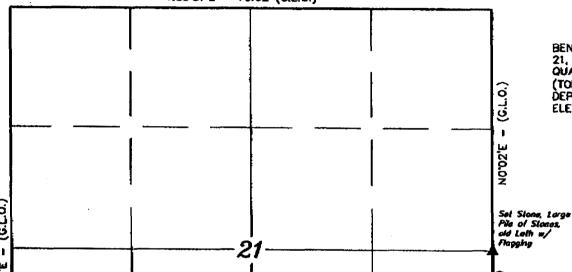
#### CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT, WAS WHITE FROM FIELD HOTES OF ACTUAL SURVEYS MADE, BY WE FOR WHOSE WITH SUPERVISION AND THAT THE SAME ARE TRUE AND CO BEST OF MY KNOWLEDGE AND BELIEF.

#### 85 SOUTH 200 EAST VERNAL UTAH 84078 (435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: DATE DRAMS: 8-22-00 9-5-00				
PARTY C.B.T. B.L. D.COX	REFERENCES G.L.O. PLAT				
WEATHER	FILE				
WARM	HUNTFORD RESOURCES CORP.				

#### N89'57'E - 79.92 (G.L.O.)



## N89'59'E - BO.04 (G.L.O.)

SE/SE

#### LEGEND:

PROPOSED WELL HEAD.

= SECTION CORNERS LOCATED.

LATITUDE = 39.50'32"LONGITUDE =  $109^{\circ}06^{\circ}56^{\circ}$ 

Elev. Ungraded Ground - '5600'

4601 6 8

Sel Stones ald Lath w/ Flagging

= 90° SYMBOL

Well name:

01-01 Huntford Quest Rev.

Operator:

Huntford

Surface String type:

Uintah Co. Location:

Project ID:

43-047-33805

Design parameters: Minimum design factors: **Environment:** Collapse: H2S considered? **Collapse** Design factor Surface temperature: 8.330 ppg 1.125 Mud weight: Bottom hole temperature: Design is based on evacuated pipe.

72 °F Temperature gradient: 1.40 °F/100ft 185 ft Minimum section length:

**Burst:** 

Body vield:

1.00 Design factor

Cement top:

Surface W/15% WAGNOUT

140 SX

No

65 °F

Non-directional string.

193% Exces - OR-

DISCOUNTUL SHOT JOINT

Burst

Max anticipated surface

0 psi pressure: Internal gradient: 0.444 psi/ft Calculated BHP 222 psi

No backup mud specified.

**Tension:** 8 Round STC: 1.80 (J) 8 Round LTC: 1.80 (J) **Buttress:** 1.60 (J) 1.50 (J) Premium:

1.50 (B)

Tension is based on air weight. Neutral point: 437 ft Re subsequent strings:

Next setting depth: 4,800 ft Next mud weight:

8.540 ppg 2,129 psi & 54 PP9 Next setting BHP: 19.250 ppg Fracture mud wt: Fracture depth: 500 ft

500 psi Injection pressure

Run Seq	Segment Length (ft)	Size (in) 8.625	Nominal Weight (Ibs/ft) 24.00	Grade J-55	End Finish A‱umb ST&C	True Vert Depth (ft) 500	Measured Depth (ft) 500	Drift Diameter (in) 7.972	Internal Capacity (ft³) 24.1
Run Seq	Collapse Load (psi) 216	Collapse Strength (psi) 1370	Collapse Design Factor 6.33	Burst Load (psi) 222	Burst Strength (psi) 2950	Burst Design Factor 13.30	Tension Load (Kips) 12	Tension Strength (Kips) 244	Tension Design Factor 20.33 J

Prepared

R.A.McKee

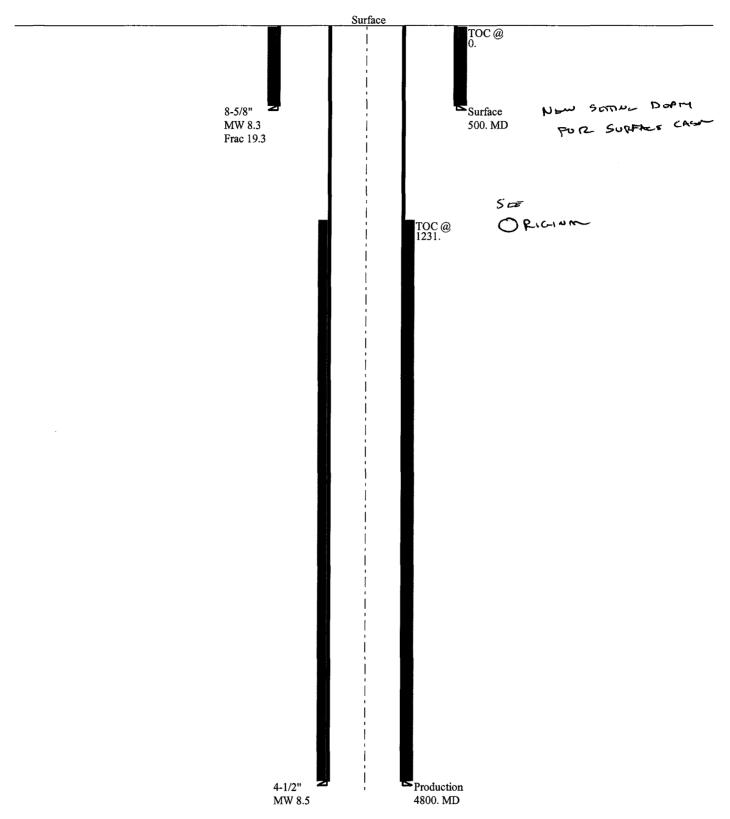
Utah Dept. of Natural Resources by:

Date: January 9,2001 Salt Lake City, Utah

**ENGINEERING STIPULATIONS: NONE** 

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension. Collapse is based on a vertical depth of 500 ft, a mud weight of 8.33 ppg. The casing is considered to be evacuated for collapse purposes. Burst strength is not adjusted for tension.





January 10, 2001

Mr. Brad Hill Utah Division of Oil, Gas and Mining 1594 West North Temple, Suite 1210 Box 145801 Salt Lake City, UT 84114-5801

RE: Quest #16-21

SE SE of Section 21 T11S R25E

Uintah County, Utah

Dear Mr. Hill:

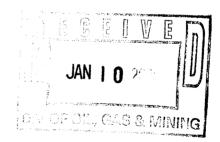
Huntford is asking for an location exception on the above caption drillsite because of topographic problems. We asking for a location that is 460 FEL and 420 FSL. We have 100% minerals leased in Section 28.

Please call me if you have any questions. Thank you.

Sincerely,

Steven A. Tedesco

SAT\ctt Enclosures





January 09,2001

Utah Division of Oil, Gas, and Mining 1594 West North Temple, Suite 1210 Box 145801 Salt Lake City, UT 84114-5801

To Whom It May Concern:

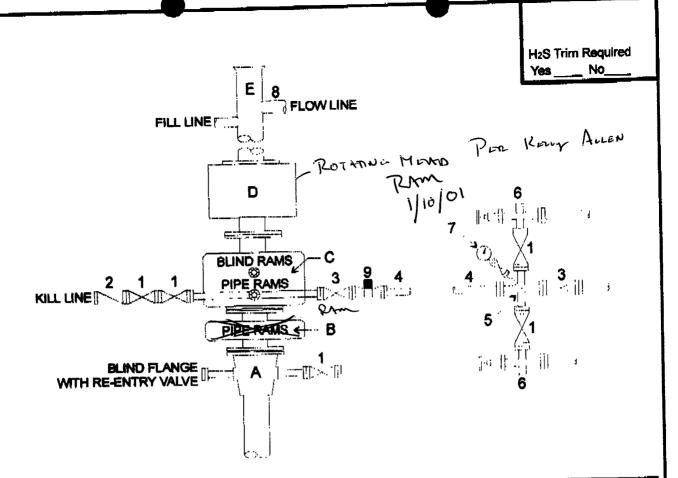
Huntford Resources Corp. requests an exception for the location of the Quest #16-2! well located in the SE SE of section 21 T11S R25E, Uintah County. This new location will allow less surface damage as it is on level ground and will allow for a shorter access road.

Please call me at the phone numbers and address given below if you have and questions. Thank you.

Sincerely,

Steven A. Tedesco

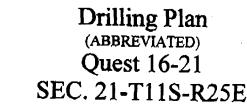
SAT\ctt **Enclosures** 



	MATERIAL LIST	Oty
tem	Description	Qty.
A	Wellhead	- 1
В	Table 11 to the state of the st	
Ċ	3000# W.P. dual ram type preventer, hydraulic operated with 1" steel, 5000# W.P. control into into into into into into into into	1
D	Annular preventer, hydraulic operated with 1", 3000# W.P. control lines.	- 1
E	They should will fine the end fill in orthoto	
1	2" minimum 3000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc plug valve.	5
2	Of whiten an 2000 W.D. heek pressure valve	
-3	3" minimum 3000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc plug valve.	3
4	3" minimum schedule 80, Grade "B" seamless line pipe.	
5	2" minimum x 3" minimum 3000# W.P. flanged cross.	
6	2" minimum 3000# W.P. adjustable choke body.	2
<del></del>	Cameron Mud Gauge or equivalent (location optional choke line).	1
8	8-5/8" minimum steel flow line.	
9	3" minimum 3000# W.P. flanged hydraulic operated gate valve.	1

**Drilling Control** Condition III-3000# W.P. Exhibit D

Wagner Engineering, LLC Littleton, Colorado



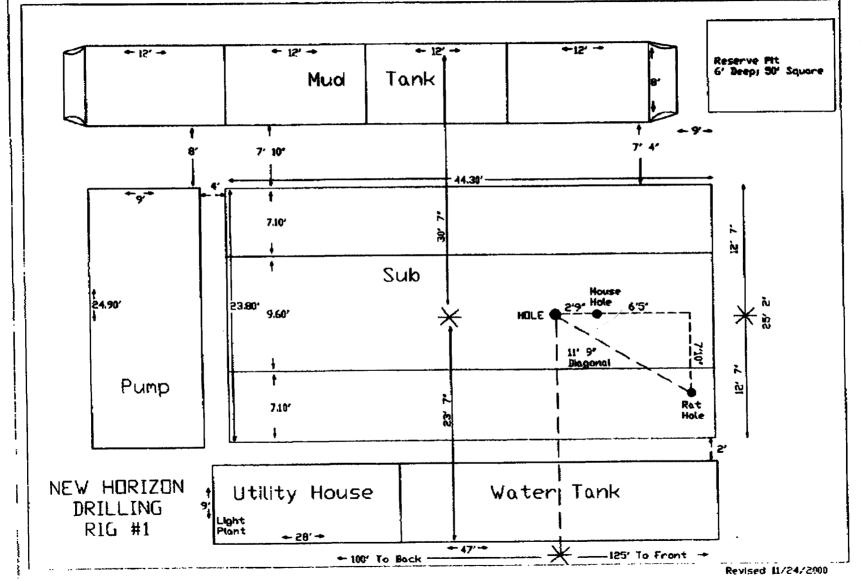
UINTAH COUNTY, UTAH DIV OF CIL

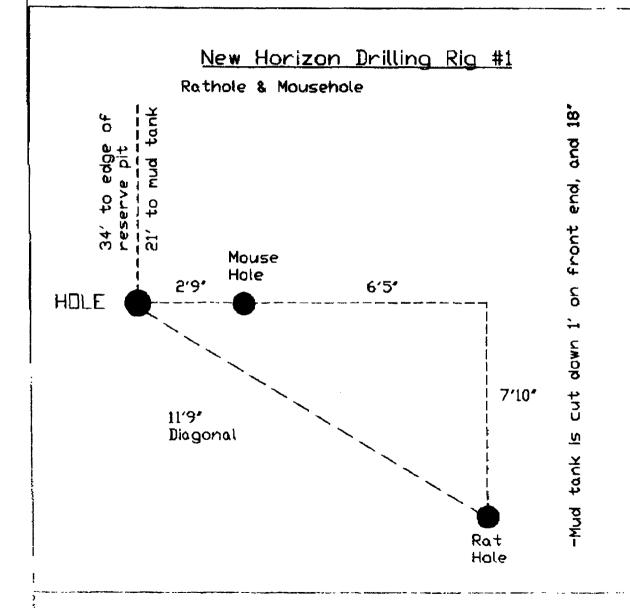
M G Wagner

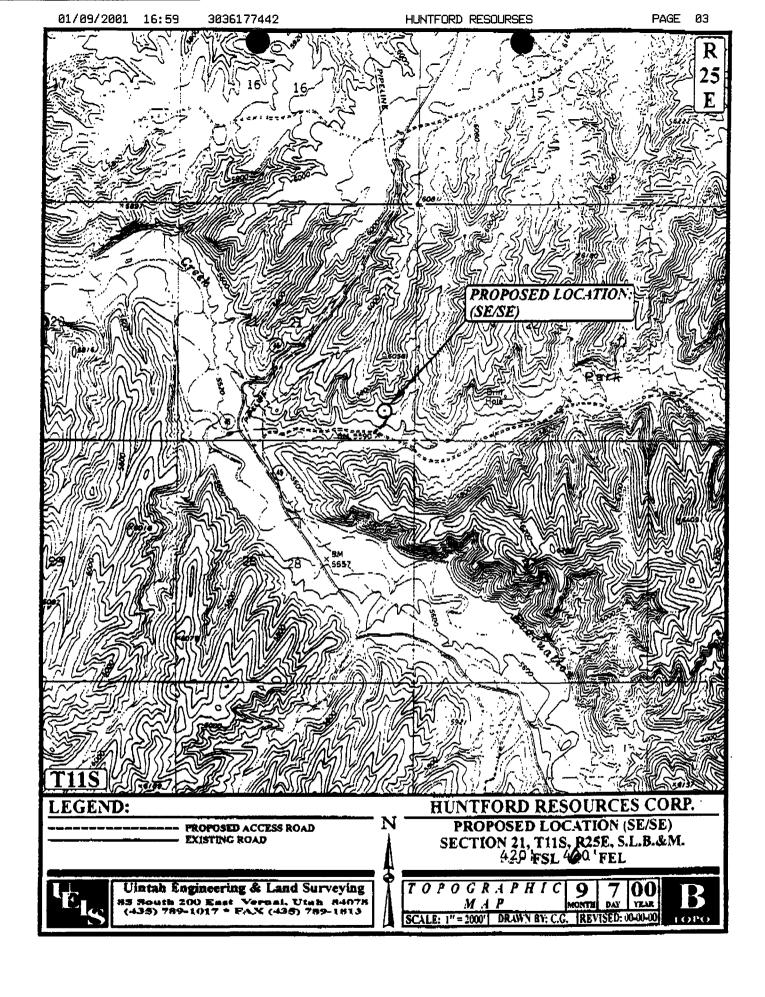
- PU a 10 34' bit and 6" droll collars, drill to 500' with fresh water and or spud mud. Circulate and 1) condition hole. TOOH.
- 2) PU the following casing and cementing equipment:
  - Guide Shoe for 8 5/8" casing
  - 1 joint of 8 5/8", 24.4 ppf, J55 casing with centralizer and stop ring in center of joint b)
  - c) Float Collar for 8 5/8" casing
  - d) 8 5/8", 24.4 ppf, J55 casing to surface with centralizers every other joint
  - e) Cementing head
- Cement with 50-50 pozmix (1.55 cu.ft./sk yield) and additives as necessary to bring cement to 3) surface, estimated using hole diameter plus 50% excess. WOC minimum of 8 hrs.
- 4) Cut off surface casing and weld on 8 5/8", 3M casing head. NU 3M BOPE. Pressure test same to 500 psig and 3000 psig. BOPE will include:
  - a) Blind ram
  - b) Pipe ram
  - c) Rotating head for 750 psig surface pressure
  - 3M choke manifold
- PU 7 7/8" bit and drill collars. Drill out of casing shoe with fresh water. Drill to 4800' TD using 5) 4% KCL water/polymer. Take surveys per State requirements, or as deviation dictates.
- 6) At TD, run a GR/DIL/FDC/CNL/caliper log suite from TD to base of surface casing.
- 7) PU the following casing and cementing equipment:
  - a) Guide shoe for 4 ½" casing
  - 1 joint of 4 1/2", 10.5 ppf, J55 casing with centralizer and stop ring in center of joint
  - c) Float Collar for 4 1/2" casing
  - d) 4 1/2", 10.5 ppf, J55 casing to surface with centralizers across every prospective interval
  - e) Comenting head
- Cement with Class G neat (1.2 cu.ft./sk yield) to surface using caliper log plus 10%. Reciprocate 8) pipe if possible.
- Land casing as cemented (full tension). Cut off and install tubing head and valve. RDMORT. 9) Prepare to complete well.

NEW HORIZON DRILLING RIG #1

RIG LAYOUT







From:

Kimm Harty

To:

Bruce Ratzlaff

Date:

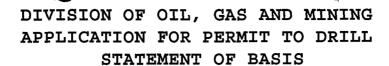
1/10/01 8:37AM

Subject:

UGS comments of RDCC list

Bruce - Here are UGS comments for items 319, 320, 321, and 322 (Huntford Resources Corp permits to drill):

Although there are no recorded paleontological localities at these potential drill sites, the Unita and Green River Formations exposed throughout the area both have the potential for yielding significant fossils. Therefore, should drilling be approved, the UGS recommends that Huntsford Resources Corp. consider conducting a pre-construction paleontological survey in areas of potential surface disturbance.



Operator Name: <u>HUNTFORD RESOURCES CORP.</u>
Well Name & Number: QUEST 16-21
API Number: 43-047-33805
Location: 1/4,1/4 SE/SE Sec. 21 T. 118 R. 25E
Geology/Ground Water:
Huntford proposes to set 500' of surface casing at this location. The depth to the base of the moderately saline water at this location is estimated to be at a depth of 5600' (below the proposed depth for the well in question). A search of Division of Water Rights records shows 5 water wells within a 10,000 foot radius of the SE corner of section 21. Only one is within a mile of the proposed well and is owned by Cliffs Synfuels. All are industrial use wells with depths ranging from 100-750'. The surface formation at this site is the oil shale section of the Green River Formation. The Green River Formation is made up of interbedded limestones, shales and sandstones. The proposed casing and cementing program should adequately protect any underground sources of usable water. The surface casing and cement will satisfy the requirement to protect the oil shale zone.
Reviewer: BRAD HILL  Date: 1/11/2001
Surface:
The pre-drill investigation of the surface was performed on 1/12/2001. Surface owner is Cliffs Synfuel Corp. Gary Aho (Cliffs Synfuels President) was not present at this investigation, but in a meeting on 1/8/2001 and on several subsequent telephone conversations Mr Aho stated a number of specific concerns regarding the construction and drilling of this well. He wanted the reserve pit closed as soon as it became feasible. He asked that the reserve pit be fenced at all times until it is closed. He asked that a cattle guard be installed where access road leaves the county road.  Mr. Aho stated that the Mahogany zone of the Parachute Creek member of the Green River formation contained oil shale and that at some point in the future Cliffs Synfuel Corp. may attempt to mine this resource. This zone is near the surface at this site. His concern was that this well may hinder that possible operation. Mr. Aho also requested that site be reseeded when location is reclaimed and well plugged. This site appears to be the best site for a location in the immediate area.
Reviewer: David W. Hackford
Date: 1/12/2001
Conditions of Approval/Application for Permit to Drill:

# ON-SITE PREDRILL EVALUATION Division of Oil, Gas and Mining

OPERATOR: HUNTFORD RESOURCES COR	RP.
WELL NAME & MINDED . OLIGIE 1 C 01	
WELL NAME & NUMBER: QUEST 16-21	
API NUMBER: 43-047-33805	
LEASE: FEE F	FIELD/UNIT: WILDCAT
LOCATION: 1/4,1/4 SE/SE SEC: 21 TWE 460' F E L 420'F S L	P: 11S RNG: 25E
	foot window in center of 40 no closer than 920 feet from (Exception Location)
GPS COORD (UTM): 12661214E 44118	333N
SURFACE OWNER: CLIFFS SYNFUEL CORP.	
PARTICIPANTS: KELLY ALLEN AND CURLY TETER (HUNTFO	ORD RESOURCES CORPORATION).
JOHN FAUCETT (DIRT CONTRACTOR). DAY	
REGIONAL/LOCAL SETTING & TOPOGRAPHY	
SITE IS ON THE FOOT OF THE SOUTHEAS	<del></del>
NORTHEAST TO SOUTHWEST. TOP OF RII	
NORTHWEST. SLOPE IS EXTREMELY STEE	
SURFACE USE PLAN:	
CURRENT SURFACE USE: WILDLIFE	AND LIVESTOCK GRAZING.
HUNTING.	
PROPOSED SURFACE DISTURBANCE:	
250'. ACCESS ROAD HAS NOT BEI	EN SURVEYED AT THIS TIME BUT

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: SEE	
ATTACHED MAP FROM GIS DATABASE	
LOCATION OF PRODUCTION FACILITIES AND PIPELINES: ALL	
PRODUCTION FACILITIES WILL BE ON LOCATION AND CONSTRUCTED	
AFTER WELL IS DRILLED AND COMPLETED. THE PIPELINE TO THIS	
WELL WILL FOLLOW ACCESS ROAD.	
SOURCE OF CONSTRUCTION MATERIAL: ALL CONSTRUCTION MATERIAL	
WILL BE BORROWED FROM SITE DURING CONSTRUCTION OF LOCATION.	<u>,                                      </u>
ANCILLARY FACILITIES: NONE WILL BE REQUIRED.	
WASTE MANAGEMENT PLAN:	
DRILLED CUTTINGS WILL BE SETTLED INTO RESERVE PIT. LIQUIDS	3
FROM PIT WILL BE ALLOWED TO EVAPORATE. FORMATION WATER WII	
BE CONFINED TO STORAGE TANKS. SEWAGE FACILITIES, STORAGE	
AND DISPOSAL WILL BE HANDLED BY COMMERCIAL CONTRACTOR. TRAS	3F
WILL BE CONTAINED IN TRASH BASKETS AND HAULED TO AN APPROVE	ΞI
LAND FILL.	
ENVIRONMENTAL PARAMETERS:	
AFFECTED FLOODPLAINS AND/OR WETLANDS: NONE	
FLORA/FAUNA: NATIVE GRASSES, JUNIPER, GREASEWOOD, CHEAT	_
GRASS, SHADSCALE, SAGE: RODENTS, COYOTES, SONGBIRDS,	
RAPTORS, PRONGHORN, DEER, ELK, COUGAR, BLACK BEAR.	
SOIL TYPE AND CHARACTERISTICS: BROWN SANDY CLAY LOAM.	
EROSION/SEDIMENTATION/STABILITY: VERY LITTLE NATURAL	
EROSION. SEDIMENTATION AND STABILITY ARE NOT A PROBLEM AND	_
LOCATION CONSTRUCTION SHOULDN'T CAUSE ANY INCREASE IN	
STABILITY OR EROSION PROBLEMS.	
PALEONTOLOGICAL POTENTIAL: NONE SITED.	

RES	ER	VE	P	IT	:
-----	----	----	---	----	---

CHARACTERISTICS: 50' BY 50' AND 10' DEEP.
LINER REQUIREMENTS (Site Ranking Form attached):A 12 MIL LINER WILL BE REQUIRED FOR RESERVE PIT.
SURFACE RESTORATION/RECLAMATION PLAN:
AS PER LANDOWNER AGREEMENT OR AS DIRECTED BY D.O.G.M.
SURFACE AGREEMENT: NO.
CULTURAL RESOURCES/ARCHAEOLOGY: SITE IS ON FEE LAND.
OTHER OBSERVATIONS/COMMENTS:
THE PRE-DRILL INVESTIGATION TOOK PLACE ON A COOL, BREEZY DAY.
ATTACHMENTS:
PHOTOS OF SITE WILL BE PLACED ON FILE.
DAVID W. HACKFORD 1/12/2001 -10:30 AM
DOGM REPRESENTATIVE DATE/TIME

### Evaluation Ranking Criteria and Ranking Score For Reserve and On-site Pit Liner Requirements

Cita Chacifia Bastons	Damini	gita parkias
Site-Specific Factors	Ranking	Site Ranking
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	5
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	0
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	15	0
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	0
7300	20	
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	10
Fluid Type		
Air/mist	0	
Fresh Water	5	•
TDS >5000 and <10000	15	
TDS >10000 or Oil Base	20	
Mud Fluid containing high	20	
levels of hazardous constituents		5
Drill Cuttings		
Drill Cuttings Normal Rock	0	
Salt or detrimental		٥
Sait or detrimental	10	0
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	0
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	0
Presence of Nearby Utility Conduits		
Not Present	0	
Not Present Unknown	10	
Unknown Present	15	15
LIEBETT	13	
Final Score		35









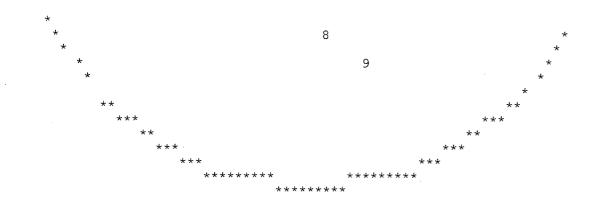


UTAH DIVISION OF WATER RIGHTS
WATER RIGHT POINT OF DIVERSION PLOT CREATED THU, JAN 11, 2001, 3:29 PM
PLOT SHOWS LOCATION OF 15 POINTS OF DIVERSION

PLOT OF AN AREA WITH A RADIUS OF 10000 FEET FROM A POINT FEET, FEET OF THE SE CORNER, SECTION 21 TOWNSHIP 11S RANGE 25E SL BASE AND MERIDIAN

PLOT SCALE IS APPROXIMATELY 1 INCH = 4000 FEET

NORTH 1 3 5 7



### UTAH DIVISION OF WATER RIGHTS NWPLAT POINT OF DIVERSION LOCATION PROGRAM

MAP CHAI	WATER R RIGHT	<b>2</b> , <b>3 -</b>		SOURCE D		PTIC	ON or WELI		_	POI RTH	NT EA		VERSI CNR		ESCRIP'	TION RNG	<b></b> В&М
0	49 1587	.0000 WATER USE(S): OTHER Anschutz Exploration	1.93 Corp.	6	100 555		500 venteenth	Stre		1200	M	1320	PRIC	16 RITY enve	11S DATE:	25E 10/26	
1	49 1586	.0000 WATER USE(S): OTHER Anschutz Exploration	1.93 Corp.	6	100 555		500 venteenth	Stre		1121	W	1735	PRIC	15 RITY enve	11S DATE: r	25E 10/26	
2	49 1588	.0000 WATER USE(S): OTHER Anschutz Exploration	1.93 Corp.	6	100 555		500 venteenth	Stre	s eet	1000	W	1800		21 RITY enve	11S DATE: r	25E 10/26	
3	49 1557	.0000 WATER USE(S): OTHER Anschutz Exploration	2.00 Corporatio	6 n	100 555		500 venteenth			465	E	1363	PRIC	22 RITY enve	11S DATE: r	25E 05/01	
3	49 1614	.0000	2.00	6		750	)	<u>Y</u> _	N	465	E	1363	SW	22	11s	25E	SL

	WATER USE( Cliffs Syn	S): OTHER fuel Corporation	P.O. Box 1211, 818 Taughenbaugh Blvd	PRIORITY DATE: 06/17/199 d. Rifle
3	49 1639 .00  WATER USE( Cliffs Syn	00 48.00 6 S): OTHER fuel Corp.	750 1995 Y N 465 E 130 P.O. Box 1211	53 SW 22 11S 25E SL PRIORITY DATE: 01/27/200 Rifle
4	MAMED HOE!	C) . CMACIMINATION TAIC	0 - 75 S 300 W 130 P. O. Box 40	DO NE 26 11S 25E SL PRIORITY DATE: 04/21/199 Rangely
5	49 1644 .00	00 1.00 Evacuat:	ion Creek S 300 E 108	DDTODIES DAME: 10/07/000
6	WATER HSE/	S) · DOMESTIC MINING POWER	iver & Tributaries S 1274 E 10 s 1594 West North Temple, Ste 310	DDIODITY DATE OF /10 /106
6	WATER USE (	S): DOMESTIC POWER OTHER	iver & tributaries S 1274 E 10 s 1594 West North Temple, Ste 310	PRIORITY DATE: 05/19/196
6	WATER USE (	S): DOMESTIC OTHER	iver & Tribs. & Undergr S 1274 E 10 s 1594 West North Temple, Ste 310	PRIORITY DATE: 05/19/196
7		000 .00 Evacuat S): STOCKWATERING OTHER of Land Management	ion Creek 2370 South 2300 West	PRIORITY DATE: 00/00/190 Salt Lake City
7		000 .00 Evacuat S): STOCKWATERING OTHER a of Land Management	ion Creek 2370 South 2300 West	PRIORITY DATE: 00/00/190 Salt Lake City
8		000 .00 Evacuat: S): STOCKWATERING OTHER of Land Management	ion Creek 2370 South 2300 West	PRIORITY DATE: 00/00/190 Salt Lake City
9	49 1115 .00 WATER USE	.00 .00 Three M. S): STOCKWATERING OTHER of Land Management	'1 0 1	PRIORITY DATE: 00/00/186 Salt Lake City

* * *	TRANSACTION REPORT	P. 01 JAN-12-2001 FRI 06:28 PM
* FOR: OIL, GAS & MINING	801 359 3940	
DATE START RECEIVER	TX TIME PAGES TYPE	NOTE M# DP
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Michael O. Leavitt Governor

Kathleen Clarks
Executive Director
Lowell P. Braxton
Division Director

State of Utah DEPARTMENT OF NATURAL RESOURCE DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Sulta 1210 PO Box 145801

Salt Lake City, Utah 84114-5801 801-538-5340

801-538-5340 801-359-3940 (Fax)

801-538-7223 (TDD)

# UTAH DIVISION OF OIL, GAS AND MINING FACSIMILE COVER SHEET

DATE: _	<u> </u>	
FAX #:	303 617 7442	
ATTN: _	Jamie Kowal	
	Jamie Kowal Huntford	
COMPANY: _		
DEPARTMEN	T:	
NUMBER OF	PAGES: (INCLUDING THIS ONE)	—
FROM:	Earlene Russell	

**** * * *	**********	**************************************	**************************************	************ P. 01 * * 'RI 06:21 PM *
* *	FOR: OIL, GAS & MINING	801 359 3940		**************************************
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Michael O. Leavitt Governor Kathleen Clarke Executive Director Lowell P. Braxton Division Director

### State of Utah DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210 PO Box 145801 Salt Lake City, Utah 84114-5801 801-558-5340 801-369-3940 (Fax) 801-538-7223 (TDD)

# UTAH DIVISION OF OIL, GAS AND MINING FACSIMILE COVER SHEET

DATE:	1/12/01
FAX #:	303 932 8409
ATTN:	Mark Wagner
COMPANY:	Huntford
DEPARTMENT: _	U
	S: (INCLUDING THIS ONE)
	Earlene Russell
FROM:	Carlene Massell

### HUNTFORD RESOURCES CORP.

14550 East Easter, Ste 1000 Englewood, CO 80112 (303) 617-7454 (303) 617-7442 (Fax) stedesco@stoka.com

### **FAX COVER SHEET**

Date: Jan 12
To: Lisha Cordon
From: Jamie Kowal

Fax No. 801 359-3946 No. of Pages: 6 inc Cover

come Jamie Kowal

connection on the rest of these

documents, please let me know it you need anything else.

Thank You, Jamie Krown

# CONFIDENTIAL FAX COVER SHEET

RECEIVED

JAN 1 2 2001

DIVISION OF OIL, GAS AND MINING

### **AFFIDAVIT**

State of Colorado

3036177442

County of Arapaho

Steven A. Tedesco, whose address is 14550 East Easter Ave., Suite 1000, Englewood, Colorado 80112, being first duly sworn sates:

I am President employed by Huntford Resources Corporation, and I am familiar with the ownership of the surface of the following described parcels of land located in Uintah County, Utah, to wit:

Township 11 South, Range 25 East, Salt Lake Meridian Section 21: SE1/4 SE1/4 owned by Cliffs Synfuel Inc.

Between June of 2000 to November 15, 2000, Huntford and its agents have been in discussions with Gary Aho, President of Cliffs Synfuels, Inc. in an attempt to negotiate for the use of the surface and seniement of anticipated damages prior to entry upon the lands for the purpose of drilling the Quest #16-21 at a legal location of 420' FSL 460' FEL (SE SE) of Section 21, Township 11 South, Range 25 East, SLM.

On behalf of Huntford, I have made an offer to Cliffs Synfuels. Inc. which was fair, equitable and consistent with offers made by Huntford and accepted by other fee surface owners in the area for similar disturbances in the drilling of test wells for the production of oil and gas.

Cliffs Synfuels has constantly demanded additional compensation or terms that are not related to surface damage or surface use and are inconsistent with normal oil and gas operations.

Further affiant saith not.

DIV OF OIL, GAS & MINING

Ventine M Justing Notary Public

Address: 5141 S. Gibralter G Centennial Co 80015

My commission expires: 5 - 22-04



RECEIVED

JAN 1 2 2001

**DIVISION OF** OIL. GAS AND MINING January 12,2001

Utah Division of Oil, Gas, and Mining 1594 West North Temple, Suite 1210 Box 145801 Salt Lake City, UT 84114-5801

To Whom It May Concern:

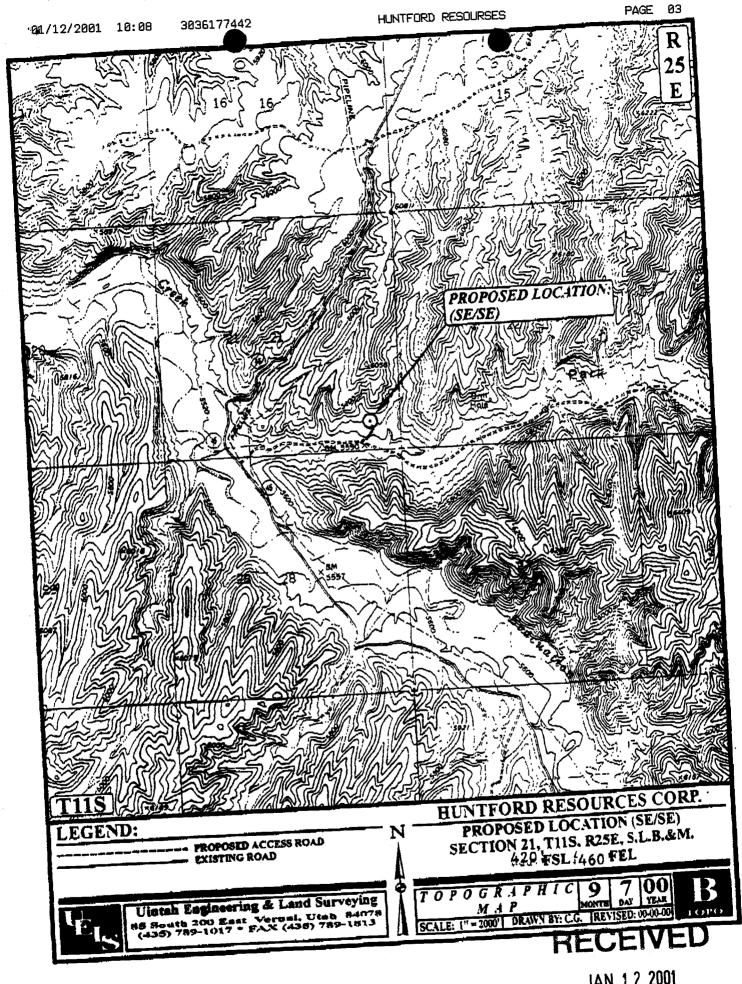
Huntford Resources Corp. requests an exception for the location of the Quest #16-21 well located in the SE SE of section 21 T118 R25E, Uintah County. We are asking for a location that is 460'FEL and 420'FSL. There are no other owners within 460' from the new proposed well location.

Please call me at the phone numbers and address given below if you have and questions. Thank you.

Sincerely,

Jamie N. Kowal

JNK\jnk Enclosures



JAN 1 2 2001

**DIVISION OF** OIL, GAS AND MINING Michael O. Leavitt Governor Kathleen Clarke Executive Director Lowell P. Braxton Division Director 1594 West North Temple, Suite 1210 PO Box 145801 Salt Lake City, Utah 84114-5801 801-538-5340 801-359-3940 (Fax) 801-538-7223 (TDD)

January 12, 2001

Huntford Recources Corp. 14550 E Easter Ave, Suite 1000 Englewood, CO 80112

Re:

Quest 16-21 Well, 420' FSL, 460' FEL, SE SE, Sec. 21, T. 11 South, R. 25 East,

Uintah County, Utah

#### Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-33805.

Sincerely,

John R. Baza

Associate Director

er

**Enclosures** 

cc: Uintah County Assessor

Operator:	Huntford Recources Corp.
Well Name & Number	Quest 16-21
API Number:	43-047-33805
Lease:	FEE
Location: SE SE	Sec. 21 T. 11 South R. 25 East

### **Conditions of Approval**

#### 1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

#### 2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

#### 3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

- 4. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis (copy attached).
- 5. In accordance with the Order in Cause No. 190-3 dated September 19, 1985, the operator shall comply with the requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operators shall ensure that the surface and or production casing is properly cemented over the entire oil shale section as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the division.

Page Two Huntford Resources Corp Conditions of Approval API # 43-047-33805 January 12, 2001

- 6. The Application for Permit to Drill has been forwarded to the Resource Development Coordinating Committee for review of this action. The operator will be required to comply with any applicable recommendations resulting from this review.
- 7. Huntford shall provide revised and certified survey plats.
- 8. In accordance with Rule R649-3-34(9), the Division of Oil, Gas and Mining shall establish minimum wellsite restoration requirements for this well. Prior to plugging and abandonment of this well, the operator shall notify the Division and allow the Division to establish such minimum wellsite restoration requirements in advance of the operator commencing plugging and abandonment operations.

THOMAS W. BACHTELL A. JOHN DAVIS, III JOHN W. ANDERSON FREDERICK M. MACDONALD GEORGE S. YOUNG ANGELA L. FRANKLIN JOHN S. FLITTON MICHAEL S. JOHNSON WILLIAM E. WARD

### LAW OFFICES PRUITT, GUSHEE & BACHTELL

Suite 1850 Beneficial Life Tower Salt Lake City, Utah 84111-1495 (801) 531-8446 Telecopier (801) 531-8468 e-mail: mail@pgblaw.com

SENIOR COUNSEL

ROBERT G. PRUITT, IR. OLIVER W. GUSHEE, JR.

OF COUNSEL

ROBERT G. PRUITT. III BRENT A. BOHMAN

### TELECOPIER TRANSMITTAL COVER SHEET

TO:

John Baza

DATE:

January 15, 2001

COMPANY:

Utah Division of Oil, Gas and Mining

TELECOPIER NUMBER:

359-3940

CITY/STATE: Salt Lake City, UT

PAGES (INCLUDING COVER SHEET):

1

FROM:

Robert G. Pruitt, Jr.

CLIENT/MATTER NUMBER:

1216.11

MESSAGE:

John:

Concerning the Huntford Resources vs. Cliffs Synfuel "oil shale conflict" on private lands in eastern Uintah County, I would like to explore with you and other staff of DOGM how we might petition the Board for an Order (I refer to it as a "Protective Order") establishing the minimum sized "support pillar" that must be left around an open gas well in the event of near-surface or shallow mining on the Oil Shale Property owned by Cliffs Synfuel.

If, as Huntford proposes, a very small support pillar (say, 30-feet or so in diameter) is all that is required for shallow mining (that is, down to a maximum depth of 400 feet), then the concern of Cliffs Synfuel evaporates. Such a small support pillar can be left almost anywhere. But if a larger support pillar is needed, then Cliffs Synfuel will be obliged to fight Huntsford's proposed "close pattern well spacing" simply to preserve its ability to mine and extract the known and proven shallow oil shale deposits underlying its private lands. An Order by the Board, after expert testimony at a hearing, should be able to specify exactly what size support pillar is needed, and the Board's formal Order should influence any situation or concern arising in the future, if and when an actual "multiple mineral" conflict exists. Cliffs Synfuel cannot benignly wait, until it is too late, to know what the mining (and support) parameters will be!

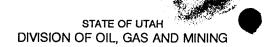
Please identify who on DOGM's staff has the expertise to discuss this issue with our engineer, and to advise the Board at a formal hearing. Then call me at 531-8446 to set up a meeting among the parties to explore this option. Time is of the essence!

Thanks for your invaluable assistance.

**Bob Pruitt** 

cc:

Gary D. Aho (via FAX to 970/625-2448)



### PHONE CONVERSATION DOCUMENTATION FORM

✓ This is the original form □ or a copy □		
Route this form to:    Route this form to:   Quest 14-21	□ SUSPENSE	□ OTHER
Section <u>al</u> Township <u>405</u> Range <u>a.</u>	Return date	
API number <u>H3-047-33805</u>		
Date of phone call: 1/19/01 Fru	day Time: 7	+:20 pm
DOGM employee (name) Carlene Re	ussell	Initiated call?
Spoke with:		
Name Lary Aho		Initiated call?
of (company/organization)	Ph	one no.
Topic of conversation: Was Permi	t approved + issue	
<u></u>	s region as reside	
Highlights of conversation: Mr aho u	vondered if the per	met was issued
because operator is	not returning his	ralla. He Lelt
they were tresspassing	Mouseton had you	t notified him
for sermission to go	onto lad Mus	an had nut
ADRICAL DADA	1 the some of	ner rug por
a copy of	f the permet. V.	wner said no
- Concerta de Contra	tet has yeln reace	ed Wilk
operator but he x	left that was his	problem. W
Told him il wasn't	aware it was to L	rend copy of
permit to hem. A	PD approved Jul	s 1/16/01 + faxed
to operator.	, ,	<i>U</i>
<b>/</b>		



January 27, 2001

### CONFIDENTIAL

Mr. John Baza STATE OF UTAH DIVISION OF OIL, GAS AND MINING P.O. Box 14801 Salt Lake City, UT 84114-5801

RE:

Ouest 16-21 43-047-33 805

Se Se Section 21

Township 11 South, Range 25 East

Dear John:

Huntford Resources Corp. is requesting confidentiality status for all information for the above captioned hole under the time period allowed for by the State of Utah once the well is completed. Please let me know if this acceptable or call me if you have any comments or questions. Thank you.

Sincerely,

Steven A. Tedesco

SAT\kwj



JAN 29 2001

DIVISION OF OIL, GAS AND MINING



Michael O. Leavitt
Governor
Brad T. Barber
State Planning Coordinator
James L. Dykmann
Committee Chairman
John A. Harja
Executive Director

## State of Utah

GOVERNOR'S OFFICE OF PLANNING AND BUDGET Resource Development Coordinating Committee

116 State Capitol Building Salt Lake City, Utah 84114 (801) 538-1027 Fax: (801) 538-1547

February 2, 2001

John Baza Division of Oil, Gas & Mining 1594 West North Temple, Suite 1210 Salt Lake City, Utah 84114-5801

SUBJECT:

Application for permit to drill - proposal to drill a wildcat well on the Quest 16-

21 wildcat well on a FEE Gas lease State Identification Number: 01-322

Dear Mr. Baza:

The Resource Development Coordinating Committee (RDCC), representing the State of Utah, has reviewed this proposal. Comments from State agencies are as follows:

### **Division of Air Quality**

This project may require a permit, known as an Approval Order, from the Division of Air Quality. If any compressor stations are located at the site, an Approval Order from the DAQ will be required for operation of the equipment. A permit application, known as a Notice of Intent (NOI) should be submitted to the Division of Air Quality for review.

### **Utah Geological Survey**

Although there are no recorded paleontological localities at this potential drill site, the Unita and Green River Formations exposed throughout the area both have the potential for yielding significant fossils. Therefore, should drilling be approved, the UGS recommends that Huntsford Resources Corp. consider conducting a pre-construction paleontological survey in areas of potential surface disturbance.

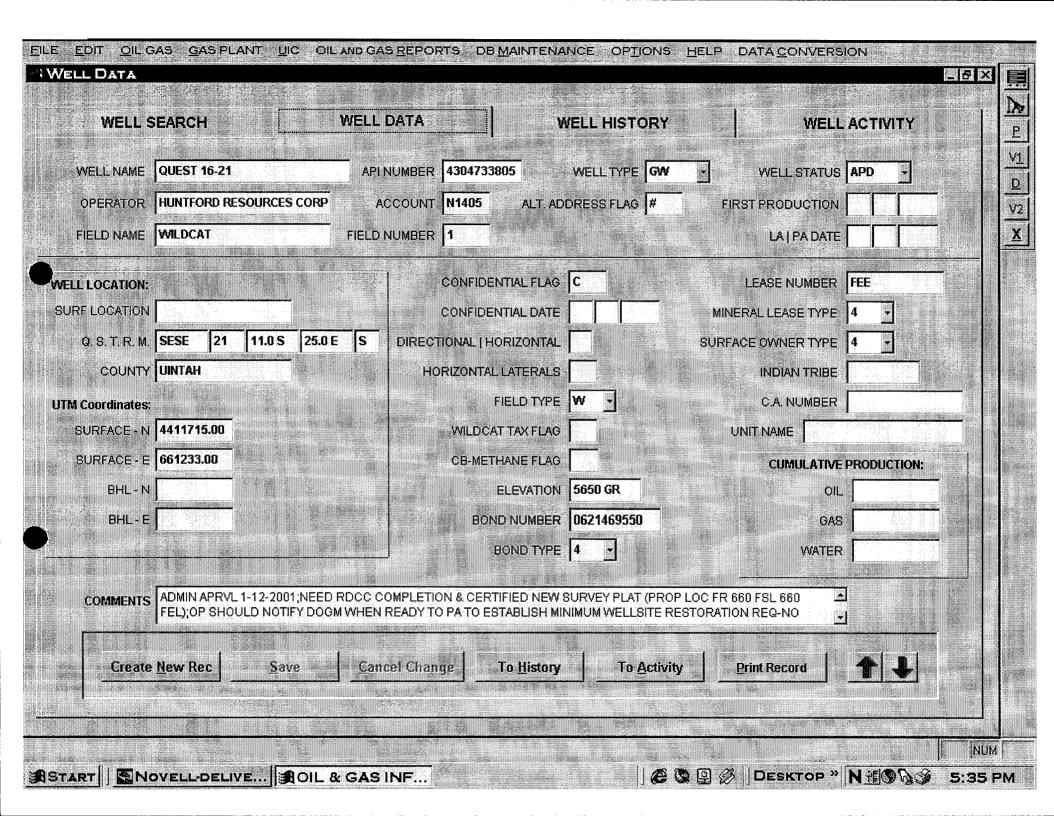
The Committee appreciates the opportunity to review this proposal. Please direct any other written questions regarding this correspondence to the Utah State Clearinghouse at the above address or call Carolyn Wright at (801) 538-1535 or John Harja at (801) 538-1559.

Sincerely,

Natalie Gochnour State Planning Coordinator RECEIVED

FEB 0 7 2001

DIVISION OF OIL, GAS AND MINING





Michael O. Leavitt
Governor
Brad T. Barber
State Planning Coordinator
James L. Dykmann
Committee Chairman
John A. Harja
Executive Director

### State of Utah

GOVERNOR'S OFFICE OF PLANNING AND BUDGET Resource Development Coordinating Committee

116 State Capitol Building Salt Lake City, Utah 84114 (801) 538-1027 Fax: (801) 538-1547

February 2, 2001

John Baza Division of Oil, Gas & Mining 1594 West North Temple, Suite 1210 Salt Lake City, Utah 84114-5801

SUBJECT:

Application for permit to drill - proposal to drill a wildcat well on the Quest 16-

21 wildcat well on a FEE Gas lease State Identification Number: 01-322

Dear Mr. Baza:

The Resource Development Coordinating Committee (RDCC), representing the State of Utah, has reviewed this proposal. Comments from State agencies are as follows:

### **Division of Air Quality**

This project may require a permit, known as an Approval Order, from the Division of Air Quality. If any compressor stations are located at the site, an Approval Order from the DAQ will be required for operation of the equipment. A permit application, known as a Notice of Intent (NOI) should be submitted to the Division of Air Quality for review.

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The Committee appreciates the opportunity to review this proposal. Please direct any other written questions regarding this correspondence to the Utah State Clearinghouse at the above address or call Carolyn Wright at (801) 538-1535 or John Harja at (801) 538-1559.

Sincerely,

Natalie Gochnour

**State Planning Coordinator** 

RECEIVED

FEB 0 7 2001

DIVISION OF OIL, GAS AND MINING

NG/ar



**Executive Director** 

Lowell P. Braxton

Division Director

# State of Utah DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210 PO Box 145801 Salt Lake City, Utah 84114-5801 801-538-5340 801-359-3940 (Fax) 801-538-7223 (TDD) well file 047 5 21 7 115 R 25E

February 14, 2001

Huntford Resources Corporation 14550 E. Easter Ave., Suite 1000 Englewood, CO 80112

Re: Applications for Permit to Drill (APD) in Uintah County, Utah

#### Gentlemen:

The Division of Oil, Gas and Mining recently received comments from the Resource Development Coordinating Committee (RDCC) for the State of Utah concerning several wells previously approved to drill or currently being processed for approval to drill by the Division. The wells, all in Uintah County, are listed as follows:

Quest #1-28

Ouest # 2-28

\*Quest #16-21

Ouest #10-22

Quest #16-22

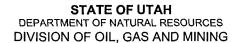
Copies of comment letters received from RDCC are enclosed. Please be aware of the concerns expressed in the comment letters, and note that Huntford may be subject to state laws and rules administered by other state agencies as it pertains to resources and issues beyond the applicable regulations of the Division of Oil, Gas and Mining.

Sincerely,

Jøhn R. Baza

Associate Director

Encl.



### **ENTITY ACTION FORM**

Operator:

Huntford Resources Corp.

Operator Account Number: N-1405

Address:

14550 E. Easter Ave Suite 1000

city Englewood

state CO zip 80112

Phone Number: 303-617-7454

Well 1

13-047-33693 0116			i i				
<del>- ) -                                   </del>	est 22-1		SESW	22	11S	25E	Uintah
	urrent Entity Number	New Entity Number	S	pud Da			tity Assignment Effective Date
A 129	998		12/10	1/00			

Well 2

API Number	Well	Name	QQ	Sec	Twp	Rng	County
43-047-33805	Quest 16-21	-21 SESE 21 1				25E	Uintah
Action Code	Current Entity Number	New Entity Number	\$	Spud Da	ate		tity Assignment Effective Date
A	99999	13088	01/2	L8/01		1-	18-01
Comments: 4-3-01	CON	FIDENTIAL		<del></del>			

Well 3

API Number	Well	Name	QQ	Sec	Twp	Rng	County
13-047-33803	Quest 6-28		SENW	28	11s	25E	Uintah
Action Code	Current Entity Number	New Entity Number	\$	Spud Da	ite		tity Assignment Effective Date
A	99999	13089	02/1	0/01		2-	10-01
Comments: 4-3-0/	CONF	INFNTIAL					

#### **ACTION CODES:**

- A Establish new entity for new well (single well only)
- Add new well to existing entity (group or unit well)
- C Re-assign well from one existing entity to
   D Re-assign well from one existing entity to
- E Other (Explain in 'comments' section)

APR n 3 2001

(5/2000)

**DIVISION OF** OIL, GAS AND MINING



May 2, 2001

### CONFIDENTIAL

Utah Division of Oil, Gas, and Mining 1594 West North Temple, Suite 1210 Box 145801

Salt Lake City, UT 84114-5801

T115 RASE Sec 21 43-047-33805

To Whom It May Concern:

Please find enclosed a Well Completion Report and Log, a full set of electric and mechanical logs, and a directional survey for the Quest 16-21 well.

Please call me at the phone numbers and address given below if you have and questions. Thank you.

Sincerely,

Steven A. Tedesco

SAT\jnk Enclosures

RECEIVED

MAY 0 4 2001

DIVISION OF OIL, GAS AND MINING

				TMENT	ATE OF NA	TURAL	RESC					(hig 5. L	ENDED R phlight cha ease desig	inges)		FORM 8
WEL	L COM	PLET	ION	OR R	ECO	MPL	ETIC	N RI	EPOR	T AND	LOG		INDIAN, ALI	OTTEE (	R TRIE	BE NAME
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b. TYPE OF WORK NEW WELL	C: HORIZ. LATS.	] E	EP-	F	RE- NTRY	]	DIFF. RESVR.		ОТИ	ER	IVIIAL	'	Quest 1	6-21	BER:	~~~
2. NAME OF OPERA Huntford F		es Corp	oratio	n				g an		orrespondence of the second	and the second s		PI NUMBER: 4304733	3805		
3. ADDRESS OF OF 14550 E. E.		e #10 c	τγ <b>Εη</b> ς	glewoo	od	STATE	СО	ZP 80°		(30	NUMBER: 3) 617-7454	1	Wildcat			
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AT TOTAL DEPT	н: SAM	E :				425							COUNTY Jintah			3. STATE UTAH
14. DATE SPUDDE 1/23/2001	D: 1	5. DATE T. 1/28/2		HED:	16. DATE 3/7/2	COMPL 2001	ETED:	47.	ABANDON	ED T	READY TO PRODUC	E Z	17. ELEVA 560	TIONS (DI O' GL	F, RKB,	RT, GL):
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(B)		<del> </del>		<u> </u>				<b>├</b> ─					<del></del>	Open	屵	Squeezed
(C)		<b>_</b>												+	Η-	
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28. ACID, FRACTU	RE, TREATM	ENT, CEM	NT SQUI	EEZE, ET	C.	·					<del></del>	<u> </u>				
DEPTH	INTERVAL		<u> </u>						AM	OUNT AND T	YPE OF MATERIAL					
							<del></del>									
			<u> </u>							<u>,,</u>						
29. ENCLOSED AT	TACHMENTS	 }:	<u> </u>											]3	0. WEL	L STATUS:
	RICAL/MECK			V.E	D	ATION		GEOLOG	BIC REPOR		DST REPORT	DIREC	CTIONAL SUI	RVEY	Pr	oducing

MAY 0 4 2001

(5/2000)

(CONTINUED ON BACK)

**DIVISION OF** OIL, GAS AND MINING

24	IMITIAL	PRODUCTION	

31. MITTAL PRO	DOCTION				INII	ELLANT W (W2 9110	WII III 108111 #20)						
DATE FIRST PRO	ODUCED:	TEST DAT	E:		HOURS TESTED	):	TEST PRODUCTION	OIL - BBL:	GAS - MCF:	WATER -	- BBL:	PROD. METHOD:	
2/1/2001		3/8/20			<del></del>	21	RATES: →	0	1,260	0		Flowing	
20/64	TBG. PRESS. 440	CSG. PRE	SS. API GF	RAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF: 1,429	WATER -		INTERVAL STATUS: Producing	
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DATE FIRST PRO	ODUCED:	TEST DAT	E:		HOURS TESTED	):	TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER -	BBL:	PROD. METHOD:	
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			· · · · · · · · · · · · · · · · · · ·	****	INTE	ERVAL D (As sho	wn in item #26)						
DATE FIRST PRO	ODUCED:	TEST DAT	E:	HOURS TESTED: TEST PRODUCTION OIL – BBL: GAS – MCF: WATER – BBL RATES: →		- BBL: PROD. METHOD							
CHOKE SIZE:	TBG. PRESS.	CSG. PRE	SS. API GF	RAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL BBL:	GAS - MCF:	- MCF: WATER -		INTERVAL STATUS:	
32. DISPOSITIO	N OF GAS (Solo	d, Used for Fu	el, Vented, Et	s.)									
33. SUMMARY	OF POROUS ZO	NES (Include	Aquifers):				:	34. FORMATION (	Log) MARKERS:				
Show all importar tested, cushion us					ls and all drill-stem ecoveries.	tests, including de	pth interval						
Formatio	n	Top (MD)	Bottom (MD)		Descripti	ions, Contents, etc			Name		Top (Measured Depth)		
						•							
35. ADDITIONAL	REMARKS (In	clude pluggin	g procedure)				<u>1</u>						

36. I hereby certify that the	e foregoing and attache	d information is comple <u>te</u> and e	correct as determined from all avail	able records.
	/ /	1		
	Slovo 1	A- pedeso	_	Thes
NAME (PLEASE PRINT)			TITLE	I res

NAME (PLEASE PRINT)

SIGNATURE

This report must be submitted within 30 days of

completing or plugging a new well

drilling horizontal laterals from an existing well bore
 recompleting to a different producing formation

reentering a previously plugged and abandoned well
significantly deepening an existing well bore below the previous bottom-hole depth
drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

\* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

temperature survey (TS)). \*\* ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CIR)

Send to:

Utah Division of Oil, Gas and Mining 1594 West North Temple, Suite 1210

Box 145801

Salt Lake City, Utah 84114-5801

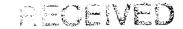
Phone: 801-538-5340

801-359-3940 Fax:

MAY 0 4 2001

DIVISION OF OIL, GAS AND MINING

(5/2000)



200**1** 

DIVISION OF OIL GAS AND MINING

### RIGHT-OF-WAY AND SURFACE DAMAGE AGREEMENT LETTER AGREEMENT

THIS AGREEMENT is made and entered into by and between HUNTFORD RESOURCES CORPORATION (HUNTFORD), 14550 East Easter Ave., Ste 1000, Englewood, CO 80112, and Cliffs Synfuel Corp. (Cliffs), P. 0. Box 1211, Rifle, Colorado 81650 (hereinafter referred to as "Grantor") for a period of three years from July 1<sup>st</sup>, 2001. The purpose of this agreement is to standardize the terms and conditions of Huntford and its assignees, heirs and partners access and use of the surface owned and held by Cliffs Synfuel Corp.

WHEREAS, Grantor is the surface owner of the following lands:

Township 11 South, Range 25 East, SLM, Uintah County, Utah

Section 2: All

Section 3: All

Section 4: All

Section 5: E/2, E/2W/2

Section 8: E/2NE/4, SE/4, E/2SW/4, NW/4SW/4

Section 9: All

Section 10: All

Section 11: All

Section 14: All

Section 15: All

Section 16: All

Section 17: E/2, E/2NW/4, NE/4SW/4

Section 21: NE/4, NE/4NW/4, N/2SE/4, SE/4SE/4

Section 22: All

Section 23: NW/4, N/2SW/4,

Section 27: NE/4, E/2NW/4, NW/4NW/4

Section 28: NE/4NE/4

(hereinafter referred to as the "Land(s)"); and

WHEREAS, HUNTFORD desires to enter onto and cross such Lands for the purpose of drilling one or more exploratory or development oil and/or gas wells on lands, located in Township 11 South, Range 25 East, Uintah County, Utah (hereinafter referred to as the "Drillsites"). The attached template in Exhibit A will be the form for the Right-of-Way and Surface Use Agreement for all Drillsites used by Huntford Resources Corp., its assignees, heirs and partners for a period of three years from the date of this Letter Agreement. This Agreement does not cover pipeline right-of-away, which is covered by a separate Agreement between Huntford Resources Corp. and Cliff Synfuel Corp. It is not intended that this letter Agreement, or individual Drillsite agreements using Exhibit A, be recorded in county records.

This Agreement constitutes the entire Agreement between the parties hereto as to the subject matters herein set forth and supersedes all prior written or oral agreements relative thereto. No change, modification, alteration or amendment to this Agreement shall be binding upon the parties hereto except as specifically expressed in writing and signed by each party agreeing to be bound thereby.

### RIGHT-OF-WAY AND SURFACE DAMAGE AGREEMENT LETTER AGREEMENT SIGNATURE PAGE

CLIFFS SYNFUEL CORP.

Gary D. Aho President

HUNTFORD RESOURCES CORP.

Steven A. Tedesco, President

## **EXHIBIT A**

	RIGHT-OF-WAY and SURFACE DAMAGE AGREEMENT (Huntford Resources Corporation)
CORPOR Synfuel C	HIS AGREEMENT is made and entered into by and between HUNTFORD RESOURCES RATION (HUNTFORD), 14550 East Easter Ave., Ste 1000, Englewood, CO 80112, and Cliffs Corporation (Cliffs), P. 0. Box 1211, Rifle, Colorado 81650 (hereinafter referred to as "Grantor"),, 200 .
WHE South Ra	EREAS, Grantor is the surface owner ofquarter Section Township 11 nge 25 East, Uintah County, Utah (hereinafter referred to as the "Land(s)"); and
explorato the	REAS, HUNTFORD desires to enter onto and cross such Lands for the purpose of drilling an ry oil and/or gas well, (WELL), located in the quarter of quarter, Section Township 11 South, Range 25 East, Uintah County, Utah ter referred to as the "Drillsite").
and other	THEREFORE, for and in consideration of the mutual promises and covenants herein contained, good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, s hereto agree as follows:
I.	HUNTFORD, shall pay Grantor the sum of \$3,000.00 up front payment for damages to surface of the Lands for road access to the Drillsite and for the Drillsite for the drilling of the WELL. Within sixty days of completion of the Well either as a producer or a plugged and abandoned well, Huntford shall survey the new access road and the Drillsite to compensate Cliffs for any additional damage that may have occurred during drilling and completion operations. Compensation will be on a \$1,500.00 per acre cost for any damages exceeding 2.0 acres and such compensation, if due, will be paid within thirty (30) days of the surveyor's report being released. Huntford shall utilize existing access routes to the maximum extent feasible, so as to minimize surface disturbances for access to facilities.
П.	HUNTFORD and their assigns or agents shall have the right to use a reasonable amount of access road across the Lands and shall have the right to move derricks, drilling tools, vehicles, and all other machinery and equipment necessary or incident to the re-drilling, drilling, testing completion, operation of the WELL. Such activity shall be restricted to existing public roads or access roads covered by this agreement. Any roads or surface facilities may be relocated at Cliffs' expense if needed due to oil shale mining or processing in the future.
III.	This Agreement and the rights granted herein are effective and shall continue in full force and effect so long as operations are conducted on the WELL. Upon execution of this Agreement, all payments due hereunder shall be paid concurrently. Operations are defined under terms of the oil and gas lease with Cliffs as taken by Contex Energy, which is Huntford's land agent and acquisition company, and under the Rules and Regulations defined by the State of Utah.
IV.	Cattle guards or gates will be constructed, if requested by Grantor, at all places where the openings go through the existing fences and gates will be kept closed at all times except when opened for passage of traffic. Also, gates shall be installed to limit access to producing wells on roads constructed by Huntford, if by mutual agreement between Huntford and Cliffs.
V.	If there is any fill used for roads constructed across any drainage, then culverts will be used for

the free flow of water through said drainage.

- VI. If the access road departs from existing established roadways and new construction is required, topsoil will be segregated and stockpiled for replacement during reclamation activities.
- VII. It is understood that any road constructed across the said Lands shall not exceed 30 feet in total width, including the total disturbed area between the outside of each berm, without the prior approval of Grantor.
- VIII. Upon completion of the WELL as a dry hole and the subsequent abandonment thereof, and at the request of the Grantor, any drill pads and newly constructed road will be restored and seeded within 180 days to the condition it was in prior to commencement of operations insofar as reasonably possible. Any preexisting roads, and the improvements thereto, which are constructed by HUNTFORD, shall be left in a good and usable condition for the continued use by Grantor. Reclaimed areas will be reseeded with a wildlife mixture approved by the Utah Division of Wildlife.
- IX. In the event that the WELL is completed as a producer of oil and/ or gas, HUNTFORD shall build and maintain a permanent access road in conformance with the already established county road including any variances granted by the county for existing roads to the Drillsite. Disturbed areas not used for production will be regraded and seeded with an approved wildlife seed mix within 90 days unless prohibited by weather.
- X. Upon completion of the WELL as a well capable of oil and/or gas production, this Agreement shall continue in full force and effect and HUNTFORD shall pay in advance to Grantor an annual access rental of two hundred dollars (\$200) per pad and \$200 per acre of roadway (30-foot width), or a minimum of \$500 to include the pad and roadway for each well, whichever is greater, on or before January 31<sup>st</sup> of each year thereafter until the subject well is plugged and abandoned and operations cease thereon.
- XI. It is expressly understood that the settlement amounts in paragraph I are only for construction of a road and drilling location and is not a settlement for any damages to contiguous property, personal property of the Grantor or a release of any personal injuries that may be sustained by reason of the operations carried on by Huntford or its agents.
- XII. This Agreement does not cover pipeline easements and Huntford acknowledges that it must secure a separate agreement prior to laying pipeline related to production of gas or oil on Cliffs' lands.
- XIII. This Agreement shall not be assigned, nor the rights hereunder transferred in any manner without the prior written consent of Grantor, which consent shall not be unreasonably withheld.
- XIV. HUNTFORD shall comply at its own expense with the Workman's Compensation Law of the State of Utah and shall maintain such insurance throughout the duration of this Agreement, and shall furnish Grantor prior to beginning work on the Lands evidence of such insurance and at each policy period thereafter renewal evidence that such insurance is being maintained. HUNTFORD, with respect to its operation in connection with this Agreement, shall also purchase or provide for (1) comprehensive general public liability insurance with a combined single limit not less than One Million Dollars (\$1,000,000) for bodily injury and property damage; and (ii) automobile insurance with a combined single limit of not less than One Million Dollars (\$1,000,000) for bodily injury and property damage. At Grantor's request, HUNTFORD shall furnish Grantor with a certificate or certificates of insurance secured and maintained hereunder and Grantor shall be an additional insured thereon.

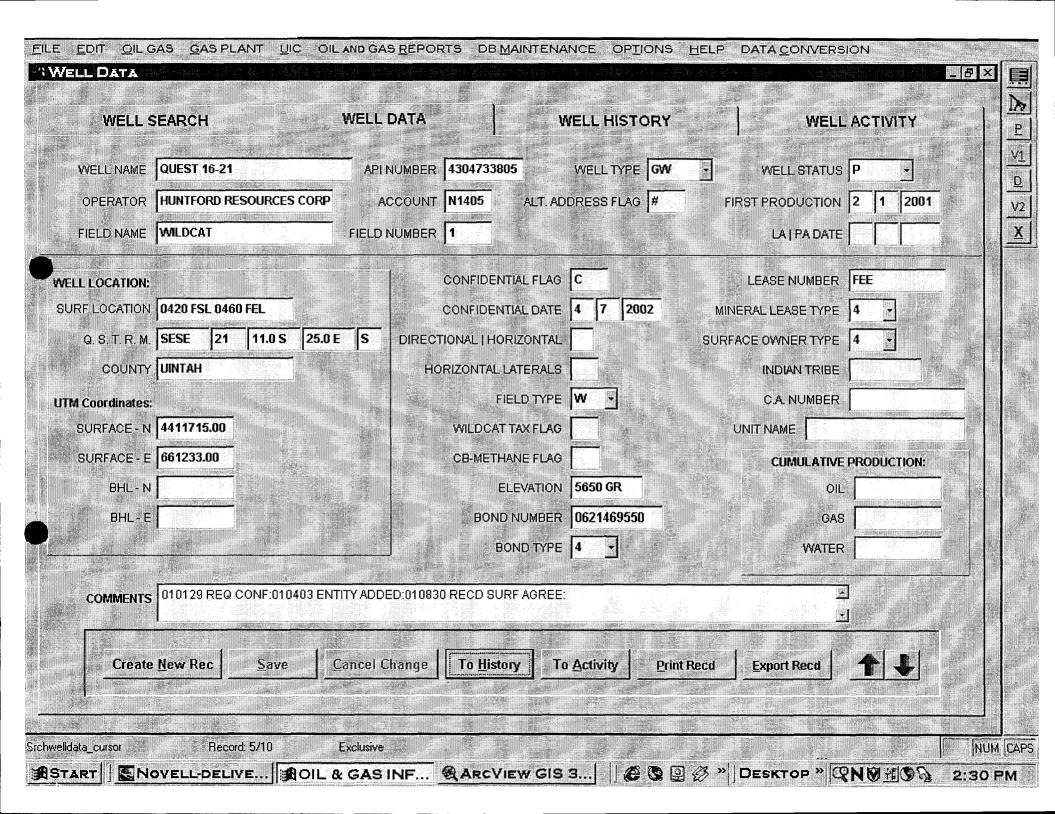
- XV. In the event any person or entity (including Grantor) suffers a loss of any kind or character, or death or injury, (1) as a result of a breach of this Agreement by HUNTFORD, or its agents, contractors, or employees, or (2) as a result of HUNTFORD or its agents, contractors, or employees performing on the Drillsite or elsewhere, any action, directly or indirectly, in furtherance of a right hereunder, or (3) from any cause whatsoever while being on the Lands and the Drillsite to conduct any work or service for HUNTFORD, HUNTFORD shall reimburse, indemnify defend and hold harmless Grantor for any and all losses, costs, claims, liability, litigation, demands, damages and expenses (including all attorney fees) of every kind or character which Grantor may suffer or be subject to as a result of said loss or injury whether or not such losses, costs, claims, liabilities, litigation, demands, damages, and expenses (including all attorney fees) result from the condition of Grantor's premises or facilities, unless through the sole negligence of Grantor or its agents.
- XVI. HUNTFORD shall provide Grantor with not less than forty-eight (48) hours advance notice, either by phone, mail or in person, of HUNTFORD's intent to enter upon the Land for the purpose of commencing operations thereon. HUNTFORD shall conduct its operations in such a manner as to use no more Land than is reasonably necessary and shall use all reasonable efforts not to interfere with the use of the Land by the Permitee in that certain Consolidated Grazing Permit dated January 1, 1998 by and between Grantor, as Owner, and 0. S. Wyatt, Jr., as Permitee, or the rights of subsequent grazing permittees. All drilling fluid pits shall be fenced within ten days of end of drilling the WELL as a producer or dry hole and then the pits will be reclaimed and reseeded within 180 days of the completion of the well as a producer or dry hole. Surface structures shall be fenced, if they represent a potential hazard to livestock, by mutual agreement between HUNTFORD and Cliffs. The type of fencing to be mutually agreed upon by HUNTFORD and Cliffs. HUNTFORD will have ten days to effect repairs or problems with fences when notified by e-mail or in writing by Cliffs. HUNTFORD can request an extension of the closure of pits beyond the 180 days from the completion of the WELL if closing the pits represents a potential hazard or closing the pits at that time will not comply with the State of Utah's reclamation requirements and pit closure requirements. An extension will not be unreasonably withheld.
- XVII. HUNTFORD shall have the right at any time, and from time to time, to remove any or all property, fixtures, equipment and materials, placed by HUNTFORD on the Land, including the right to draw and remove casing. Within 90 days after plugging of the WELL this Agreement will expire and, HUNTFORD shall remove all remaining property, fixtures, equipment and materials that were placed by HUNTFORD on the Land. Such removal shall be accomplished at HUNTFORD's sole cost, risk, and expense. If such items are not removed within 90 days, Grantor shall have the right to remove those items from the Land and bill the associated cost for such removal to HUNTFORD.
- XVIII. This agreement restricts the HUNTFORD's use of Grantor's lands to the sole purpose of exploration and production of oil and/or gas at this specific site. It does not grant HUNTFORD, its contractors, or its agents the right to use the Grantor's property for any other purpose.
- XIX. All operations of HUNTFORD hereunder which involve drilling for and producing of oil and gas, or both, or the cessation, or abandonment, of its operations shall be conducted in a good and workmanlike manner and in accordance with standard oil field practices and in accordance with all applicable federal, state and local statutes and regulations including specifically, but not by way of limitation, such laws and regulations governing the operation, maintenance and

reclamation of well sites, pipelines, tank batteries, and other related facilities as may be utilized by HUNTFORD and its operations hereunder. HUNTFORD shall further adhere to and abide by all federal, state and local environmental statutes and regulations addressing air, water, and solid waste pollution and the handling storage, storage, use and disposal of hazardous substances as prescribed in The Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. & 9601, et seq. (CERCLA). HUNTFORD shall provide Grantor with copies of all applications for environmental permits, notices of violation or alleged violations of any environmental laws, governmental requests for any information pertaining to environmental issues relating to the Land or products produced therefrom or HUNTFORD's use thereof, copies of any responses from HUNTFORD's to said requests, and any environmental investigations, reports, or studies involving the Land or products produced therefrom or the use thereof by HUNTFORD which, from time to time, may be obtained by HUNTFORD.

- XX. HUNTFORD also agrees to abide by the laws or regulations of the State of Utah designed to protect either coal seams or oil shale deposits, including but not limited to those specific rules set forth the in the General Rules and Regulations of the Utah Board of Oil, Gas and Mining, as amended, pertaining to such matters. HUNTFORD acknowledges that the Land under this agreement was designated as an "Oil Shale Area" on August 22. 1985, amended in May of 2001, and HUNTFORD hereby agrees to follow the Board's procedure for wells drilled in designated "Oil Shale Areas" as set forth in the aforementioned General Rules and Regulations as amended in 2001.
- XXI. The provisions hereof shall be considered as covenants running with the Land during the life of the Agreement and all modifications thereof, and any assignment of the Agreement shall be subject to the provisions thereof.
- XXII. This Agreement constitutes the entire Agreement between the parties hereto as to the subject matters herein set forth and supersedes all prior written or oral agreements relative thereto except for said LETTER AGREEMENT entitled GENERAL RIGHT-OF-WAY and SURFACE DAMAGE AGREEMENT entered into and signed between Huntford Resources Corporation and Cliffs Synfuels Corporation dated July 1<sup>st</sup>, 2001 as this agreement will be subordinate to that said agreement. No change, modification, alteration or amendment to this Agreement shall be binding upon the parties hereto except as specifically expressed in writing and signed by each party agreeing to be bound thereby.

CLIFFS SYNFUEL CORP.

By:
Gary D. Aho, President
HUNTFORD RESOURCES CORP.
By:Steven A. Tedesco, President



# SECTION OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL. GAS AND MINING

	DIVISION OF OIL, GAS AN	DMINING	5. LEASE DESIGNATION AND SERIAL NUMBER:
SUNDRY	Y NOTICES AND REPO	ORTS ON WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
Do not use this form for proposals to drill r	new wells, significantly deepen existing wells be	elow current bottom-hole depth, reenter plugged wells, o DRILL form for such proposals.	7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL		DRILL form for such proposals.  HER	8. WELL NAME and NUMBER:
2. NAME OF OPERATOR:	——————————————————————————————————————		9. API NUMBER:
	ces Corporation		
3. ADDRESS OF OPERATOR:	Y Ave., Englewood	80112 PHONE NUMBER: 30 , 400 617-7242	3 - 10. FIELD AND POOL, OR WILDCAT:
	ATTACHMENT	1011 1242	
			county: Uintah
QTR/QTR, SECTION, TOWNSHIP, RAN	NGE, MERIDIAN:		STATE:
" CHECK ADD	PODDIATE POVES TO IND	ICATE MATURE OF MOTIOE DE	UTAH
TYPE OF SUBMISSION	TOPRIATE BOXES TO INDI	ICATE NATURE OF NOTICE, RE	PORT, OR OTHER DATA
	ACIDIZE	DEEPEN TYPE OF ACTION	REPERFORATE CURRENT FORMATION
NOTICE OF INTENT (Submit in Duplicate)	ALTER CASING	FRACTURE TREAT	SIDETRACK TO REPAIR WELL
Approximate date work will start:	CASING REPAIR	NEW CONSTRUCTION	TEMPORARILY ABANDON
	CHANGE TO PREVIOUS PLANS	X OPERATOR CHANGE	TUBING REPAIR
	CHANGE TUBING	PLUG AND ABANDON	VENT OR FLARE
SUBSEQUENT REPORT (Submit Original Form Only)	CHANGE WELL NAME	PLUG BACK	WATER DISPOSAL
Date of work completion:	CHANGE WELL STATUS	PRODUCTION (START/RESUME)	WATER SHUT-OFF
bate of work completion.	COMMINGLE PRODUCING FORMAT	ONS RECLAMATION OF WELL SITE	OTHER:
	CONVERT WELL TYPE	RECOMPLETE - DIFFERENT FORMAT	ION
12. DESCRIBE PROPOSED OR CO	OMPLETED OPERATIONS. Clearly sho	w all pertinent details including dates, depths, ve	olumes, etc.
Huntford Resource	ces Corporation a	agrees to relinguish	its holdings to the
above referenced	d wells in Uintah	County, Utah to TC	C ROYALTY CORPORATION and
hereby names TCO	C ROYALTY CORPORA	ATION as OPERATOR. H	UNTFORD RESOURCES
CORPORATION furt	ther acknowledges	that a bond of \$80	,000.00 in the form of
a CD 0621469550	is being held by	the Director of Oi	1, Gas and Mining as
TCC Royalty's na	te of Utan and ag	and held by the St	transfer this bond into
ree Reparty B ne	ame as corracerar	and herd by the St	ate of otali.
TCC ROYALTY CORE	₽	2	. , ^.
Name: CHRISTINE	2 leduco	Title: Prin	idest
Signature: ///	110 les	Date:  2/19	101
HUNTFORD RESOURCE NAME (PLEASE PRINT) Stev	CES Ven A. Tedesco	THE PRESIDE	
allas	ak	12/10/	42
SIGNATURE TO SIGNATURE	per z	DATE	//

(This space for State use only)

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(5/2000)

(See Instructions on Reverse Side)

DEC 24 2001

DIVISION OF OIL, GAS AND MINING List of Wells being transferred from Huntford Resources Corporation to TCC Royalty Corporation.

API No.	Well Name	Location
43-047-34118	\Quest 14-10	718 FSL 1854 FWL Section 10 T11S R25E
43-047-34119	Quest 16-10	740 FSL 662 FEL Section 10 T11S R25E
43-047-34116	Quest 6-15	1989 FNL 1939 FWL Section 15 T11S R25E
43-047-34117	Quest 8-15	1986 FNL 735 FEL Section 15 T11S R25E
43-047-33805	Quest 16-21	420 FSL 460 FEL Section 21 T11S R25E
43-047-33804	Quest 10-22	Nw Se Section 22 T11S R25E
43-047-33806	Quest 16-22	Se Se Section 22 T11S R25E
43-047-33693	Quest 22-1	560 FSL 1712 FWL Section 22 T11S R25E
43-047-33801	<b>Quest 4-28</b>	577 FNL 1014 FWL Section 28 T11S R25E
43-047-33803	Quest 6-28	1720 FNL 1980 FWL Section 28 T11S R25E

#### Division of Oil, Gas and Mining

#### **OPERATOR CHANGE WORKSHEET**

Enter date after each listed item is completed

# X Change of Operator (Well Sold)

Operator Name Change

#### ROUTING

1. GLH		4-KAS		
2. CDW		5-LP		
3. JLT		6-FILE		

Designation of Agent

Merger

The operator of the well(s) listed below has changed, effective:	12-19-2001
FROM: (Old Operator):	TO: ( New Operator):
HUNTFORD RESOURCES CORPORATION	TCC ROYALTY CORPORATION
Address: 14550 E. EASTER AVE	Address: 14550 E. EASTER AVE
ENGLEWOOD, CO 80112	ENGLEWOOD, CO 80112
Phone: 1-(303)-617-7242	Phone: 1-(303)-617-7242
Account N1405	Account N1995

CA No.

Unit:

	API	ENTITY	SEC. TWN	LEASE	WELL	WELL
NAME	NO.	NO.	RNG	TYPE	TYPE	STATUS
QUEST 14-10	43-047-34118	13268	10-11S-25E	FEE	GW	DRL
QUEST 16-10	43-047-34119	99999	10-11S-25E	FEE	GW	APD
QUEST 6-15	43-047-34116	99999	15-11S-25E	FEE	GW	APD
QUEST 8-15	43-047-34117	99999	15-11S-25E	FEE	GW	APD
QUEST 16-21	43-047-33805	13088	21-11S-25E	FEE	GW	P
QUEST 10-22	43-047-33804	99999	22-11S-25E	FEE	GW	NEW
QUEST 16-22	43-047-33806	99999	22-11S-25E	FEE	GW	NEW
QUEST 22-1	43-047-33693	12998	22-11S-25E	FEE	GW	P
QUEST 4-28	43-047-33801	99999	28-11S-25E	FEE	GW	APD
QUEST 6-28	43-047-33803	13089	28-11S-25E	FEE	GW	P
		1		1		

#### **OPERATOR CHANGES DOCUMENTATION**

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on:

12/24/2001

2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on:

12/24/2001

3.	3. The new company has been checked through the Department of Commerce, D	ivision of Corporations Database on: 12/26/2001
4.	4. Is the new operator registered in the State of Utah: YES Bus	iness Number: 4 <u>817842-014</u> 3
5.	5. If <b>NO</b> , the operator was contacted contacted on:  N/A	
6.		roved the (merger, name change, N/A
7.	7. <b>Federal and Indian Units:</b> The BLM or BIA has approved the succe for wells listed on:  N/A	essor of unit operator
8.	8. Federal and Indian Communization Agreements ("CA"): The change for all wells listed involved in a CA on:  N/A	BLM or the BIA has approved the operator
9.	9. Underground Injection Control ("UIC") The Division has appropriate the enhanced/secondary recovery unit/project for the water disposal well(s)	proved UIC Form 5, Transfer of Authority to Inject, listed on:  N/A
$\overline{\mathbf{D}}_{A}$	DATA ENTRY:	
1.	1. Changes entered in the Oil and Gas Database on: 12/26/2001	
2.	2. Changes have been entered on the Monthly Operator Change Spread Sheet of	n: 12/26/2001
3.	3. Bond information entered in RBDMS on: 12/26/2001	
4.	4. Fee wells attached to bond in RBDMS on: 12/26/2001	
SI	STATE BOND VERIFICATION:	
1.	1. State well(s) covered by Bond No.: N/A	
īN	INDIAN BOND VERIFICATION:	
1.	1. Indian well(s) covered by Bond No.:  N/A	
FF	FEDERAL BOND VERIFICATION:	
1.	1. Federal well(s) covered by Bond No.: N/A	
FF	FEE WELLS - BOND VERIFICATION/LEASE INTEREST OW	NER NOTIFICATION:
	1. (R649-3-1) The NEW operator of any fee well(s) listed has furnished a bond:	621469550
	2. The <b>FORMER</b> operator has requested a release of liability from their bond on: The Division sent response by letter on:  N/A	SEE COMMENTS
	3. (R649-2-10) The <b>FORMER</b> operator of the Fee wells has been contacted and infe of their responsibility to notify all interest owners of this change on:	formed by a letter from the Division 12/26/2001
CC	COMMENTS: Huntford Resources Corp Certificate of Deposit was transferred	ed to TCC Royalty Corp. See bond file.

TCC Royalty Corporation 14550 East Easter Ave., Ste 1000 Comtential, CO 80112 303 617-7242 303 617-7442 (Fax)

То:	Dustin	Fax:	801 359 3940	<u> </u>
From:	Steve Tedesco	Date:	4/30/2004	
Re:	Form 9 and attachments	for Quest 16- Pages:	5 including cover	
cc:				
□ Urge	ns x For Review	□ Please Communt	☐ Please Reply	☐ Please Recycle
•	•	•	• •	•

#### Ductio

Please find anached Form 9 and anachments for the Quest 16-21. All of the zones being tested are adjacent Wasatch sands to the presently producing one which is now not producing and depleted. Let me know if you have any questions. Thanks.

Steve

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**RECEIVED** 

APR 3 0 2004

DIV. OF Care

**..** ...

DIV. OF OIL, GAS & MINING

STATE OF UTAH

E-DAM	-
FORM	•
1 ON IN	•

	DEPARTMENT OF NATURAL RESOUR DIVISION OF OIL, GAS AND MIN	NING	6. LEASE OBSIGNATION AND SERIAL NUMBER FOR 6. IF INDIAN, ALLOTTEE OR TRIBE NAME
SUNDRY	Y NOTICES AND REPORTS	ON WELLS	NA 7. UNIT OF CA AGREEMENT NAME:
Do not use this form for proposals to drift drift horizontal	new walls, significantly despire existing walls below curring	and bottom-note depth, rounter plugged wells, or to rm for such propositio.	NA NA
1. TYPE OF WELL			7 8. WELL NAME and NUMBER: Quest 16-21
2. NAME OF OPERATOR: TCC Royalty Corp.			9. API NUMBER 43047 <del>805</del> 33805
3. ADDRESS OF OPERATOR: 14550 E Easter #1000 cm	Centennial STATE CO ZIE	80112   PHONE NUMBER: (303) 617-7242	10. FIELD AND POOL OR WILDCAT: Kicker
4. LOCATION OF WELL FOOTAGES AT SURFACE: 420 F	SL 460 FEL		county Uintah
QTRIQTR, SECTION, TOWNSHIP, RAI	NGE MERIDIAN: SWSe 21 11 2	5 E	STATE: UTAH
	ROPRIATE BOXES TO INDICAT	<del></del>	RT, OR OTHER DATA
TYPE OF SUBMISSION		TYPE OF ACTION	
NOTICE OF INTENT (Submit in Duplicate)	ACIDIZE  ALTER CARING	PRACTURE TREAT	REPERFORATE CURRENT PORMATION SIDETRACK TO REPAIR WELL
Approximate case work will start	CASING REPAIR	MEW CONSTRUCTION	TEMPORARILY ABANDON
•	GHANGE TO ITTEVIOUS FLANS	OPERATOR CHANGE	TUBING REPAIR
	CHANGETUBING	PLUG AND ABANDON	VENT OR FLARE
SUBSEQUENT REPORT	CHANGE WELL NAME	PLUG BACK	WATER DISPOSAL
(Bubmit Original Form Only)	CHANGE WELL STATUS	PRODUCTION (START/RESUME)	WATER SHUT-OFF
Dates of work completion:	COMMINGLE PRODUCING FORMATIONS	RECLAMATION OF WELL SITE	OTHER:
	CONVERT WIRL, TYPE	RECOMPLETE - DIFFERENT PORMATION	
	OMPLETED OPERATIONS, Clearly show all pi the Wasatch Formation, see attach		. ·
		CO Doi Initia	
NAME (PLEASE PRINT) Steven A.	tedes∞	TITLE Vice President	
SIGNATURE SALE T		DATE 4/30/2004	
This upon for State upp only)			IE STATE

(5/2000)

APPROVED BY THE STATE
OF UTAH DIVISION OF
ONE PROVED BY THE STATE
OF UTAH DIVISION OF
DATE

DATE

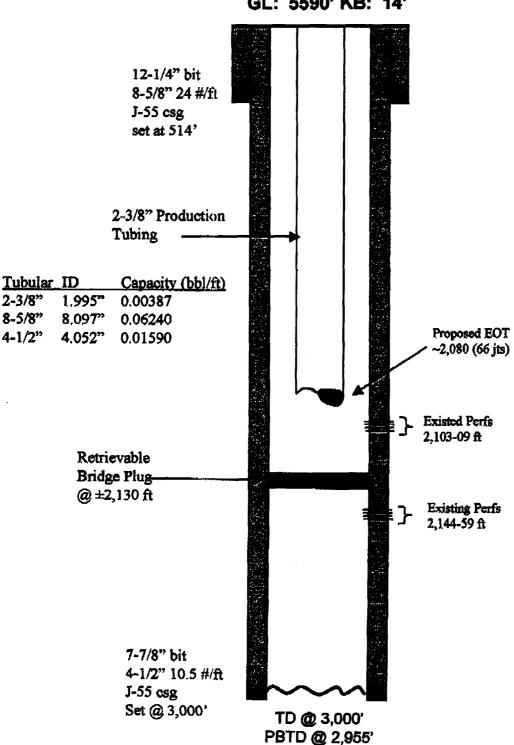
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# Quest #16-21

Section 21, T11S, R25E
Latitude: 39.8420 / Longitude: 109.1156
Uintah County, Utah

API: 43-047-33805 GL: 5590' KB: 14'



### Quest #16-21

#### Wasatch Sand Recompletion Procedure Section 221, T115, R25E

**Uintah County, Utah** Lat: 39.8420 / Long: 109.1156 4/9/04

Summary

The Quest #16-21 was drilled in January 2001, as a Wasatch formation gas producing well. The interval currently producing, 2,144 ft to 2,159 ft, provided a very good gas kick while drilling the well. This interval was perforated and produced naturally. The well has produced over 305 MMcf and from P/Z analysis, slightly over 32 MMcf remains to be produced from the current producing interval. In this workover, a second interval previously perforated from 2,103 ft to 2,109 ft will be broken down and flow tested to ascertain its productive potential. Should this interval provide commercial gas production, the well will be turned into the sales line. Should the interval prove to not be commercial, the decision to return the original interval to production and/or plug and abandonment will be reviewed.

Overview
The purpose of this procedure is to flow test a single perforated Wasatch sand interval identified with cased hole neutron log analysis. The interval will be broken down with 5% KCI and possibly hydraulic fracture stimulated. Should stimulation be required, 65-quality nitrogen foam fluid injected at +/- 16 bpm (downhole rates) carrying +/- 20,000 lbs of 16/30-mesh ceramic proppant will be applied.

A morning report should be prepared for transmittal each evening. Both Steve Tedesco and Trent Green should receive these reports.

#### **Procedure**

- MIRU daylight workover rig. NU & test BOP. Kill well with 5% KCI if necessary.
- TOH and stand back 2-3/8" tubing.
- PU and TIH with retrievable bridge plug and retrievable packer for 4-1/2" 10,5 lb/ft casing tandem assembly. Set the bridge plug at ±2,130 ft (do not set in a casing collar). Release off the bridge plug and pull the packer up to ±2,090 ft.
- 4. Break circulation and displace hole with 5% KCI water (if not already full of 5% KCI). Set retrievable packer.
- MIRU a service company pump truck capable of recording injection rate and pressure, breakdown perforations from 2,102 ft to 2,109 ft and establish injection with 5% KCI. Do not exceed a maximum injection rate of 8 bpm or 3,500 psi surface injection pressure. Pump a total of 450 bbls of 5% KC!
- 6. RDMO pumping company and flow/swab well to initiate natural flow. Swab the 5% KCI back to a separate tank for reuse.
- 7. Should the well fail to produce following the 450 bbl breakdown, a hydraulic fracture stimulation treatment may be designed and pumped. A procedure under separate cover will be used for the hydraulic fracture stimulation treatment if required.
- 8. Evaluate the inflow potential from the interval 2,102 ft to 2,109 ft. Proceed to next step following decision of the technical committee.
- 9. Following testing of all Intervals of interest and not achieving commercial gas production from any interval, the technical committee will then review the wellbore and a decision as how to proceed will be forthcoming.

[Signatures on following page]

Last Updated: 4/9/2004 3:58:38 PM

3036177442

### Quest #16-21

Wasatch Sand Recompletion Procedure Section 221, T11S, R25E Uintah County, Utah Lat: 39.8420 / Long: 109.1156 4/9/04

Procedure Prepared by: Trent W. Green April 9, 2004

Approved by:	Steve Tedesco	Date

Last Updated: 4/9/2004 3:58:38 PM

TCC Royalty Corporation 14550 East Easter Avo., Ste 1000 Conntennial, CO 80112 303 617-7242 303 617-7442 (Fax)

То:	Dustin		Fax:	801 3	59 3940	
From:	Steve Tedesco	0	Date:	4/30/2	004	
Re:	Form 9 and a	tachments	for Quest 1-22Pages	5 inch	ding cover	
cc:						
□ Urge	ent x For	Review		t 🗆 Pi	icasa Reply	☐ Please Recycle
•	•	•	•	•	•	•
						**************************************
			<u>.                                  </u>			

Dustin

Please find anached Form 9 and attachments for the Quest 1-22. All of the zones being tested are adjacent Wasatch sands to the presently producing one which is now not producing and depleted. Let me know if you have any questions. Thanks.

Steve

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APR 3 0 2004

DIV. OF OIL, GAS & MINING





STATE OF UTAH

3036177442	

FORM 9

DEPARTMENT OF NATURAL RESOURCE DIVISION OF OIL, GAS AND MINI	E8 NG	5. LBASE DESIGNATION AND SERIAL NUMBER:
SUNDRY NOTICES AND REPORTS	ON WELLS	6, IF INDIAN, ALLOTTEE OR TRIBE NAME.
		7. UNIT OF CA AGREEMENT NAME:
Do not use this form for proposals to drill new wells, eignificantly despire existing wells below durrent drill horizontal salerals. Use APPLICATION FOR PERMIT TO DRILL form	s for such proposition.	
OILWELL GAS WELL ALL OTHER		9. API NUMBER
2. NAME OF OPERATOR: TCC Royalty Corp.		430479567 3369 3
2. ADDRESS OF OPERATOR: 14560 E Easter #1000 CITY Centennial STATE CO ZIP 8	0112 PHONE NUMBER: (303) 617-724	
A LOCATION OF MELL		COUNTY: Ulintain
POOTAGES AT SURFACE SSO FSL 1712 FWL		COUNTY: UITIGHT
OTRIGITR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 22 11 25		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE	NATURE OF NOTICE, R	EPORT, OR OTHER DATA
TYPE OF SUBMISSION	TYPE OF ACTION	
NOTICE OF INTENT	DESPEN	REPERFORATE CURRENT FORMATION SIDETRACK TO REPAIR WELL
(Submit in Duplicate)  ALTER CASING	FRACTURE TREAT  NEW CONSTRUCTION	TEMPORARILY ABANDON
Approximate date work will about CASING REPAIR  CHANGE TO PHEVIOUS PLANS	OPERATOR CHANGE	TURING REPAIR
CHANGE TUBING	PLUG AND ABANDON	VENT OR FLARE
SUBSEQUENT REPORT CHANGE WELL NAME	PLUG BACK	WATER DISPOSAL
(Submit Original Form Only) CHANGE WELL STATUS	PRODUCTION (START/RESUME)	WATER SHUT-OFF
Date of work completion: COMMENCE PRODUCING FORMATIONS	RECLAMATION OF WELL SITE	отнек:
CONVERT WELL TYPE	RECOMPLETE - DIFFERENT FORM	MATION
Perforate other zones in the Wasatch Formation, see attach	COPY SENT	TO OPERATOR  -3-04  CHO
NAME (PLEASE PRINT) SHEET ATT 103 CO	TITLE VILLE  TATE 4/30/	Progeste 1
(This space for State use only) (6/2000) (See Instru	APRON Sected General no encito.	VED BY THE STATE TAH DIVISION OF TAS AND, MINING

12/30/04

#### Quest #1-22

#### Mesaverde Sand Recompletion Procedure Section 22, T11S, R25E

Uintah County, Utah Lat: 39.8419 / Long: 109.1071 04/8/04

Summary

The Quest #1-22 was drilled in January 2001, as a Meseverde and Wasatch formation gas well. Multiple intervals were perforated and tested with the zone from 1,999 ft to 2,010 ft proving to be commercially productive following hydraulic fracture stimulation. In this workover, additional intervals will be perforated and flow tested to ascertain their productive potential. Should these intervals provide commercial gas production, the well turned into the sales line. Should no intervals be commercial, the decision to plug and abandoned will be reviewed.

Overview

wasatch

The purpose of this procedure is to flow test one previously perforated but untested Mesaverde sand interval then perforate and flow test a second Mesaverde sand interval that was identified with cased hole neutron log analysis. Should natural flow not be achieved, the interval(s) will be broken down with 5% KCI and possibly hydraulic fracture stimulated. Should stimulation be required, 65-quality nitrogen foam fluid injected at +/- 12 bpm (downhole rates) carrying +/- 10,000 lbs of 16/30-mesh ceramic proppant will be applied.

A morning report should be prepared for transmittal each evening. Both Steve Tedesco and Trent Green should receive these reports.

#### **Procedure**

- 1. MIRU daylight workover rig. NU & test BOP.
- Pickup and TIH with a retrievable bridge plug retrieving head. Retrieve the plug set at ±2,050 ft. TOH with plug.
- 3. PU and TIH with retrievable bridge plug and retrievable packer for 4-1/2" 10.5 lb/ft casing tandem assembly. Set the bridge plug at ±2,295 ft (do not set in a casing collar). Release off the bridge plug and pull the packer up to ±2,160 ft.
- 4. Break circulation and displace hole with 5% KCl water. Set retrievable packer.
- 5. MIRU a service company pump truck capable of recording Injection rate and pressure, breakdown perforations from 2,174 to 2,184 ft and establish injection with 5% KCI. Do not exceed a maximum injection rate of 8 bpm or 4,500 psi surface injection pressure. Pump a total of 450 bbls of 5% KCI.
- RDMO pumping company and flow/swab well to initiate natural flow. Swab the 5% KCI back to a separate tank for reuse.
- 7. Should the well fail to produce following the 450 bbl breakdown, a hydraulic fracture stimulation treatment may be designed and pumped. A procedure under separate cover will be used for the hydraulic fracture stimulation treatment should it be required.
- Evaluate the inflow potential from the interval 2,174 to 2,184 ft. Proceed to next step following decision of the technical committee.
- Release retrievable packer and TIH to release the bridge plug at ±2,295 ft. TOH with tubing and bottom hole assembly.
- 10. MIRU wireline unit to perforate interval from 1,925 to 1,930 ft. Correlate to open hole logs dated 12/24/2000. PU and TIH with casing gun loaded with 4 or 6 SPF 60° phased perforating gun. A lubricator will be necessary as this well is capable of flowing following perforating.
- 11. Perforate 1,925 ft to 1,930 ft (5 ft). TOH with perforating gun, SI well and RDMO wireline unit.
- 12. PU and TIH with retrievable bridge plug and set at ±1,980 ft (do not set in a casing collar). TOH with the tubing and setting tool.
- 13. TIH with a retrievable packer for 4-1/2" 10.5 lb/ft casing ±1,900 ft.

per structedesco 4/30/04 Dr.D

### Quest #1-22 Mesaverde Sand Recompletion Procedure Section 22, T11S, R25E

Uintah County, Utah Lat: 39.8419 / Long: 109.1071 04/8/04

- 14. Break circulation and displace hole with 5% KCI water (if not already full of 5% KCI). Set retrievable packer.
- 15. MIRU a service company pump truck capable of recording injection rate and pressure, breakdown perforations from 1,926 to 1,930 ft and establish injection with 5% KCI. Do not exceed a maximum injection rate of 8 bpm or 3,000 psi surface injection pressure. Pump a total of 450 bbls of 5% KCl.
- 16. RDMO pumping company and flow/swab well to initiate natural flow. Swab the 5% KCI back to a separate tank for reuse.
- 17. Should the well fall to produce following the 450 bbl breakdown, a hydraulic fracture stimulation treatment may be designed and pumped. A procedure under separate cover will be used for the hydraulic fracture stimulation treatment if required.
- 18. Evaluate the inflow potential from the interval 1,925 to 1,930 ft. Proceed to next step following decision of the technical committee.
- 19. Following testing of all intervals of interest and not achieving commercial gas production from any interval, the technical committee will then review the wellbore and a decision as how to proceed will be forthcoming.

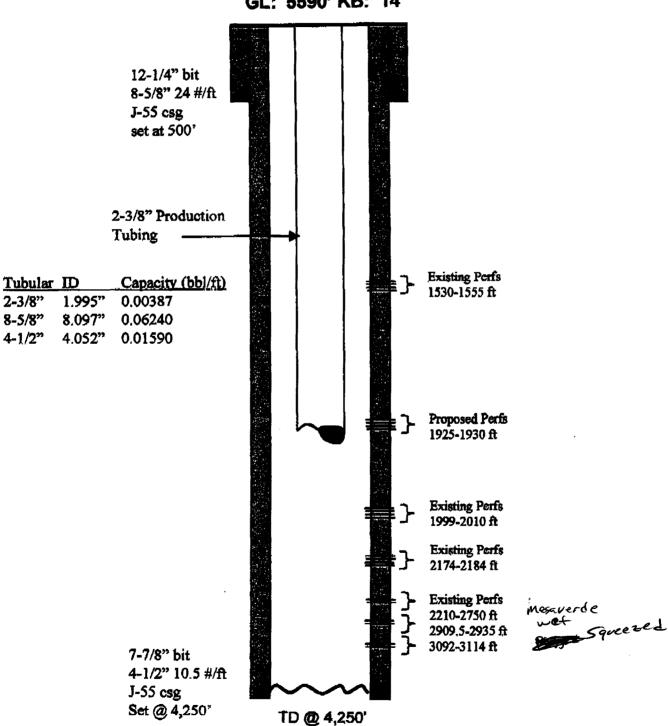
Procedure Prepared by:	Trent W. Green April 8, 2004		
Approved by:		_Steve Tedesco	Date

3036177442

# **Quest #1-22**

Section 22, T11S, R25E
Latitude: 39.8419 / Longitude: 109.1071
Uintah County, Utah
API: 43-047-33693

GL: 5590' KB: 14'



PBTD @ 4,207'

# TEE ROYALTY CORPORATION

August 11, 2004

Ms. Carol Daniels State of Utah Division Oil, Gas & Mining P.O. Box 145801 Salt Lake City, UT 84114-5801

RE:

Quest 16-21 API No. 4304733805 - TILS RASE SEC-21

Quest 1-22 API No. 4304700587 Quest 12-21 API No. 4304733935

SENT FEDEX

Dear Carol:

Please find enclosed cased hole logs for the above captioned wells. I do not believe any of these wells are under confidential status.

Please let me know if you have any questions. Thank you.

Sincerely,

Steven A. Tedesco

SAT\kwt **Enclosures** 

RECEIVED
AUG 13 2004
GAS & MINING

TCC Royalty Corporation 14550 East Easter Ave., Ste 1000 Constantial, CO 80112 203 617-7242 303 617-7442 (Fax)

To:	Carol Daniels		Fax:	80	1 359 3940	
From:	Steve Tedesco		Date:	10	/10/2004	
Re:	-		Pages:		includin	g cover
CC:						
□ Urgen	t x For Review		☐ Please Comment	<b>C</b>	l Please Reply	☐ Please Recycle
•	•	•	•	,	•	•
Prince   Pri			***************************************			

Carol

Please find enclosed updates on the Quest 4-27, Quest 16-21, Quest 1-22, Quest 14-10, Quest 2-28 and Quest 15-21L. Sorry these are late but I have been out of the country for some time. Let me know if you have any questions. Thanks.

Steve

RECEIVED OCT 12 2004

DIV. OF OIL, GAS & MINING



# STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OUR CAS AND MINING

FORM 9

		DIVISION OF OIL, GAS AND I	MINING		5. LEASE DESIGNATION AND SERIAL NUMBER:
	SUNDR	Y NOTICES AND REPOR	TS ON WEI	LS	E. IF INDIAN, ALLOTTEE OR TRIBE NAME
De	o not use this form for proposals to dri	I new wells, significantly deepen existing wells below a laterals. Use APPLICATION FOR PERMIT TO DRIL	cuttont bottom trole de	pth, menter plugged wells, or so	N/A 7. UNIT OF CA AGREEMENT NAME:
1.	TYPE OF WELL OIL WELL	_		ale,	N/A  8. WELL NAME and NUMBER:
2.1	NAME OF OPERATOR:	OF OTHER			Quest 16-21
T	CC Royalty Corporation				9. API NUMBER: 4304733805
	1550 East Easter Ave 1000 C	TY Centennial STATE CO 2	80112	(303) 617-7242	10, FIELD AND POOL, OR WILDCAT: Kicker
4. 1	CCATION OF WELL	· · · · · · · · · · · · · · · · · · ·			rucker
ŗ	FOOTAGES AT SURFACE: 420 F	SL 460 FEL			COUNTY: Unitable
6	ATRICITR, SECTION, TOWNSHIP, RA	NGE MERIDIAN, SeSe 21 11	25 E		STATE;
11,	CHECK ADE	ECODIATE ROVES TO UNIO			UTAH
-	TYPE OF SUBMISSION	ROPRIATE BOXES TO INDICA			RT, OR OTHER DATA
$\overline{\Box}$	NOTICE OF INTENT	ACIDIZE	DEEPEN	YPE OF ACTION	REPERFORATE CURRENT FORMATION
	(Submit in Duplicate)	ALTER CASING	FRACTURE	TREAT	SIDETRACK TO REPAIR WELL
	Approximate disin work will start:	CASING REPAIR	NEW COM	TRUCTION	TEMPORARILY ABANDON
		CHANGE TO PREVIOUS PLANS	OPERATOR	CHANGE	TUBING REPAIR
7	SUGSEQUENT REPORT	CHANGETUBING	PLUG AND	ABANDON	VENT OR FLARE
	(Submit Original Form Caly)	CHANGE WELL NAME	FLUG BACK	1	WATER DISPOSAL
	Date of work completion:	CHANGE WELL STATUS		ON (START/RESUME)	WATER SHUT-OFF
	9/24/2004	COMMINGLE PRODUCING FORMATIONS  CONVERT WELL TYPE		ON OF WELL SITE	OTHER:
12	DESCRIPE PROPOSED OF CO	OMPLETED OPERATIONS. Clearly show all		TE - DIFFERENT FORMATION	
Fre	ictured with sand and fi	uid zone from 246 to 2106, see : the Quest 1-22 on Monday Octob	allached sone		
	(PLEASE PRINT) Steven A.	Tedesco	TITLE	Vice President	
SIGNA	TURE		DATE	10/10/2004	
his ope	pe for State use enly)		<del></del>		

(\$/2000)

(See instructions on Reverse Side)

RECEIVED OCT 1 2 2004 3036177442

# STIMULATION TREATMENT REPORT



Packer Type N/A Packer Depth 0 FT  TREATMENT DATA  LIQUID PUNIPED AND  Tuld Type Fluid Deac Pumped Volume(Gale) Prop. Description Volume Pumper(I be) CAPACITIES IN 88LS.	Date 24-SEF Lesse QUEST	10-21	District V	emal		F.Rec	elpt		ustomer	TCC R	ovally Co	( <del>)</del>
Well DATA		ED				Loca	ation					
Comment   Type   Tubular Type   CD						Stage	No	1W	ell API	- API 430	04733805	0000
CSG   4.5   11.6   4		-	A. 16. bld. alm . 1. 1. 1. 10049-1010-0		//************************************		Ton	*	3000			WASATCH
Packer Type N/A	TUBULAR	N. 147 (A. 101 )	to be seen that the second of the second	····		***	***************************************	The state of the s	Top			Diameter
LiQUID PUMPED AND CAPACITIES IN 88LS.   Prop. Description   Volume Pumped (Lbe)   CAPACITIES IN 88LS.   Prop. Description   Volume Pumped (Lbe)   CAPACITIES IN 88LS.   Tubing Cap.   0   Capacities in 88LS.   Capacities in 88LS.   Tubing Cap.   0   Capacities in 88LS.   Capacities in 88			,,,,	1114	4		Ψ.	3000 ;		***************************************		
Tubing Cap.   0   Casing Cap.   32.704   Tubing Cap.   0   Casing Cap.   32.704   Tubing Cap.   0   Casing Cap.   32.704   Casing Cap.   32.704   Casing Cap.   32.704   Casing Cap.   32.704   Casing Cap.   0	TREATMENT	DATA			(O-1-) <sup>3</sup>					( Lie	QUID PU	WPED AND
Total Prop City: 29,704	REATMENT FLUID	Bulletin the little to the con-	and a service of the same	NO VOLUME						<u> </u>		'
Annuar Cap.   O												
Pad Volume   143   Pad   Pad Volume   143   Pad Volume   144   Pad V		•								Annular	Cap	
Previous Treatment												
Previous Treatment										Pluid to	Losd	<u>0</u>
### Scalars: Q In O Stages Type   Picest   31.7     International Pressure Psi   Surface Starry   Starry Rate   S	revious Treatme	ent			Previous Pr	aduction _		NA				1.43
PROCEDURE SUMMARY   Fluid to Recover   597			TN			asing [	XAnul.	Hubing & And,				
PROCEDURE SUMMARY   Fluid to Recover   597			) <u> </u>	iges Type				······································		Character ""	1754175555555555555555	
Time	wanted & sweeters and	8 YOU CORN	SAD, BF-7LCLAYIR	EAT3C, FINZY	WE-011/NE-04	O,XI,W-DZ,M	AGNACIO	E575		•		Military Activity
Time AMPM Trasting Pressure Psi BBLS. Pumped BPM Comments  STP Annulus Stage Total  05:34 5060 05:40 1775				. :	90/3/	*EIV line	es i si di ba	haire .		FILERO TO T	zorbiei.	221
STP   Annalus   Stage   Total	Time		T	Seefer				uçy	· · ·	· ·		·
05:40 1775 13 START PAD BROKE@1775 05:43 1370 33 20.4 PAD ON PERFS 05:45 15:40 143 20.5 START 18 05:50 15:30 176 203 1# ON PERFS 06:55 1780 292 203 START 28 06:67 1780 328 202 24 ON PERFS 06:07 1890 556 202 START 36 06:07 1890 556 201 3# ON PERFS 06:08 1840 559 201 3# ON PERFS 06:11 1850 500 204 START FLUSH 06:18 1700 501 501 501 501 501 501 501 501 501 5		Treating Pre	SSUIE-PSi	BBLS.	Pumped				Comm	ents		
05:40 1775 13 START PAD BROKE@1775 05:43 1370 32 20.4 PAD ON PERFS 05:45 15:40 143 20.5 START 18 05:50 1530 176 203 START 18 06:55 1780 292 20.3 START 28 06:67 1780 328 202 24 ON PERFS 06:07 1890 526 202 START 36 06:07 1890 526 202 START 36 06:08 1840 559 20.1 38 ON PERFS 06:11 1850 500 20.4 START FLUSH 06:18 1700 539 500 500 500 500 500 500 500 500 500 50	NE-24	THE PLANTS OF THE PARTY OF THE	Annolis a transposition and the same	Siage	Total				····			
S		AND REAL PROPERTY AND PERSONS ASSESSMENT AND PROPERTY AND PERSONS ASSESSMENT ASSE						TEST LINES	and the second of the second o	· ····································		VA(4-0-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-
143   20.5   START	05:43		-,,,,,,,,,		Verber is and meter and shake	and the same	<u>4.3</u>	START PAD BROK	E <b>@</b> 1775	**************************************		AMERICA STATE OF THE PROPERTY
176   203   1# ON PERFS   203   3# ON PERFS   204   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205   205		The second second	Service and American Service a		The second second second					·····		
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1840   559   20.1 34 ON PERFS   36:13   1800   632   0   SHATT FLUSH   56:18   1700   632   0   SHUTDOWN 1.3 FG.   5 MIN.   16:24   16:35   16:35   16:35   16:35   16:36   17:36   16:37   16:38   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36   17:36	William Townson		AND THE P.						T-9112-6	(4/400) (1/4/400)		
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06.23 1635 10 MIN.	eres erende eres (sprint) i propriem ta da 🗸 ca enque y 🔉		Aleman and Health Sept September 11 and 12 a								B44 ( 45-0) ( 1,779A / 1 M	andrews and the property
70 MIN.		- 1751 - N. Park St 1751 - 1751 - 1751 - 1751 - 1751 - 1751 - 1751 - 1751 - 1751 - 1751 - 1751 - 1751 - 175		YPET / MEMBER BORRER B FRANCE HATE HATEL				5 MIN.		T THE PURISH HAINS		-Animegrug 13P3/23MiPs - 48 of lafes (Ligenter
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	Maria de la companya	:	Injection F	Rates	[GI	tut for Pre	SSLITER		Contact			
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mum 1370 Treating Fluid 20,3 ISDP 1870 P. Gardner	·	1890	Flush	20.4	<del></del>	Min,	17/			4	7 1110	
mum 1370 Treating Fluid 20.3 ISDP 1800 BJ Rep. Miles Holfetiz	rage .	1630	Average	20,5				The second secon			10011	54245
Fruin 1370 Treating Fluid 20.3 ISDP 1800 BJ Rep. Mile Holfeltz  from 1890 Flush 20.4 5 Min. 1700 Job Number 1001164245  Rege 1630 Average 20.3 10 Min. 1895	rators Max. Pre	<b>GSUTO</b>				***************************************						
State in Pressures   Customer Rep.   Sam Gardner	3000							15 Min.	USMBU	ion .		
Fruin 1370 Treating Fluid 20.3 ISDP 1800 BJ Rep. Miles Holfettz  from 1890 Flush 20.4 5 Min. 1700 Job Number 1001154245  Rege 1630 Average 20.3 10 Min. 1835 Rec. ID No.  2000 Stribution			1			inh Drina		19 MM.	· ************************************	···		

## **STATE OF UTAH**

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL, GAS AND MINING	5. LEASE DESIGNATION AND SERIAL NUMBER:
SUNDRY NOTICES AND REPORTS ON WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL GAS WELL OTHER	8. WELL NAME and NUMBER: See Attachment
2. NAME OF OPERATOR: TCC Royalty Corporation $N/995$	9. API NUMBER:
3. ADDRESS OF OPERATOR: 14550 E Easter Ave., Ste 10t CITY Denver STATE CO ZIP 80202 PHONE NUMBER: (303) 617-7242	10. FIELD AND POOL, OR WILDCAT:
4. LOCATION OF WELL  FOOTAGES AT SURFACE:  QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:	COUNTY: Uintah
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE REPO	UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPO TYPE OF SUBMISSION TYPE OF ACTION	RT, OR OTHER DATA
NOTICE OF INTENT (Submit in Duplicate)  ACIDIZE  ACIDIZE  ACIDIZE  ACIDIZE  DEEPEN  ACIDIZE  ACIDIZE  ACIDIZE  ACIDIZE  ACIDIZE  ACIDIZE  DEEPEN  FRACTURE TREAT  NEW CONSTRUCTION  NEW CONSTRUCTION  OPERATOR CHANGE  CHANGE TO PREVIOUS PLANS  CHANGE TUBING  CHANGE TUBING  PLUG AND ABANDON  CHANGE WELL NAME  PLUG BACK  CHANGE WELL STATUS  PRODUCTION (START/RESUME)  COMMINGLE PRODUCING FORMATIONS  RECLAMATION OF WELL SITE	REPERFORATE CURRENT FORMATION  SIDETRACK TO REPAIR WELL  TEMPORARILY ABANDON  TUBING REPAIR  VENT OR FLARE  WATER DISPOSAL  WATER SHUT-OFF  OTHER:
DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volume	
Effective: October 1, 2005	es, etc.
Enduring Resources, LLC 475 17th Street, Suite 1500 Denver, Colorado 80202  Operator No. N 2750 Utah State Bond #RLB00	008031
Contact: Frank Hutto 303-350-5102	
ENDURING RESOURCES, LLC	
DATE: 10-24-2  BY: Frank Hutte, Vice President - Operations PIEK CAMIBEL  LAND	2005
IAME (PLEASE PRINT) CHRISTING TECHESCO TITLE XXXXXXXX	
IGNATURE DATE	
s space for State use only)  ADDDOVED /0/3/105	RECEIVED

(Th

Circlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

DIV. OF OIL, GAS & MINING

OCT 2 6 2005

# TRANSFER OF OPERATOR

From: TCC Royalty Corp. - To: Enduring Resources, LLC

	API Number	Well Name	Status	Field	County	State	Qtr-Qtr	C4:	
1	43-047-33935-00-00	QUEST 12-21	Shut-In	Kicker	Uintah	<del> </del>			Twn-Rge
_2	43-047-33693-00-00	QUEST 22-1	Producing	Kicker		Utah	NWSW	21	11S-25E
3	43-047-33803-00-00	QUEST 6-28	Producing		Uintah	Utah	SESW	22	11S-25E
4	43-047-33805-00-00	QUEST 16-21	Producing	Kicker	Uintah		SENW	28	11S-25E
5		QUEST 4-28		Kicker	Uintah	Utah	SESE	21	11S-25E
	3 11 00001 00 00	QULOT 4-20	Location Abandoned	Kicker	Uintah	Utah	NWNW	28	11S-25E
_6	43-047-34118-00-00	QUEST 14-10	Drilling Operations Suspended	Wildcat	Uintah	1 14 - 1-	OFOM		
7	43-04 <b>7-35</b> 299-00-00	QUEST 13-22	Producing	Kicker			SESW	10	11S-25E
			Spudded (Drilling	Mickel	Uintah	Utah	SWSW	22	11S-25E
8	43-04 <b>7-</b> 35298-00-00	OUECT 4.07	commenced: Not yet						
-	43-04 <b>7-</b> 33296-00-00	QUEST 4-27	completed)	Kicker	Uintah	Utah	NWNW	27	11S-25E
9	43-047-35310-00-00	OUECT 0.00	Drilling Operations						110 202
	40 041-00510-00-00	QUEST 2-28	Suspended	Kicker	Uintah	Utah	NWNE	28	11S-25E
40	42 047 25007 00 00	61.	Drilling Operations						202
10	43-047-35297-00-00	QUEST 15-21L	Suspended	Kicker	Uintah	Utah	SWSE	21	11S-25E

Division of Oil, Gas and Mining

## **OPERATOR CHANGE WORKSHEET**

ROUTING 1. DJJ

Designation of Agent/Operator

X Change of Operator (Well Sold)

The operator of the well(s) listed below has changed, effective:

Operator Name Change

Merger

The operator of the well(s) listed below has	change	ed, effe	ctive:		1	0/1/2005	)		٦
FROM: (Old Operator):				<b>TO:</b> ( New C	perator):	<del></del>			7
N1995-TCC Royalty Corporation				N2750-Endur		LLC			1
14550 E Easter Ave, Suite 1000					th Street, Sui	•			
Centennial, CO 80112									ı
Phone: 1-(303) 617-7242				Phone: 1-(303	) 350-5102				1
CA No	0.			Unit:	<del>(</del>			·	7
WELL(S)									7
NAME	SEC	TWN	RNG	API NO	ENTITY	LEASE	WELL	WELL	7
lov-more de la companya de la compan	4				NO	TYPE	TYPE	STATUS	$\perp$
QUEST 14-10	10			4304734118	13268		GW	OPS	$\perp$
QUEST 16-21	21			4304733805	13088		GW	P	丄
QUEST 12-21	21	110S		4304733935	13044		GW	S	$\perp$
QUEST 15-21L	21	110S		4304735297	14095		GW	OPS	C
QUEST 22-1	22	110S		4304733693	12998		GW	P	┸
QUEST 13-22	22	110S		4304735299	14058		GW	P	
QUEST 4-27	27	110S		4304735298	14059		GW	DRL	C
QUEST 6-28	28	110S		4304733803	13089		GW	P	
QUEST 2-28	28	110S	250E	4304735310	14081	Fee	GW	OPS	C
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OPERATOR CHANGES DOCUME Enter date after each listed item is completed 1. (R649-8-10) Sundry or legal documentatio 2. (R649-8-10) Sundry or legal documentatio	d n was 1	receive	d from (			10/26/200	_		
					•		_		
3. The new company was checked on the Dep	artme	nt of C	ommei	rce, Division of	Corporation	ıs Databas	se on:	9/29/2005	
4. Is the new operator registered in the State of	of Utah	:	YES	<b>Business Numl</b>	ber: 5	771233-01	61		_
5. If NO, the operator was contacted contacted		•			•				
6a. (R649-9-2)Waste Management Plan has bee	en rece	ived on	:		Requested 9	/29/05			
6b. Inspections of LA PA state/fee well sites co			•	n/a	-				
	· · · · · · · · · · · · · · · · · · ·	- OII.		11/ a					

6c	c. Reports current for Production/Disposition & Sundries on:			
7.	. Federal and Indian Lease Wells: The BLM and or the I or operator change for all wells listed on Federal or Indian leases of		ved the merger, BLM_n/a	name change, BIA n/a
8.	. Federal and Indian Units:  The BLM or BIA has approved the successor of unit operator for	r wells listed on:	n/a	
9.	. Federal and Indian Communization Agreements (" The BLM or BIA has approved the operator for all wells listed w	•	n/a	
10	O. Underground Injection Control ("UIC") The Divis Inject, for the enhanced/secondary recovery unit/project for the way			nsfer of Authority ton/a
D.	ATA ENTRY:			
1.	Changes entered in the Oil and Gas Database on:	10/31/2005		
2.	Changes have been entered on the Monthly Operator Change Sp	read Sheet on:	10/31/20	005
3.	Bond information entered in RBDMS on:	10/31/2005		
4.	Fee/State wells attached to bond in RBDMS on:	10/31/2005		
5.	Injection Projects to new operator in RBDMS on:	n/a		
6.	Receipt of Acceptance of Drilling Procedures for APD/New on:		n/a	
FI	EDERAL WELL(S) BOND VERIFICATION:			
1.	Federal well(s) covered by Bond Number:	n/a		
IN	NDIAN WELL(S) BOND VERIFICATION:			
1.	Indian well(s) covered by Bond Number:	n/a		
	EE & STATE WELL(S) BOND VERIFICATION: (R649-3-1) The NEW operator of any fee well(s) listed covered by	y Bond Number	RLB0008	031
	The FORMER operator has requested a release of liability from the The Division sent response by letter on:	eir bond on:	not yet	
	EASE INTEREST OWNER NOTIFICATION:  (R649-2-10) The FORMER operator of the fee wells has been cont of their responsibility to notify all interest owners of this change on		ned by a letter from /31/2005	the Division
CC	OMMENTS:			

•

#### STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES

FO	R	M	,

DIVISION OF OIL, GAS AND MINING	5. LEASE DESIGNATION AND SERIAL NUMBER: FEE	
SUNDRY NOTICES AND REPORTS ON WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	7. UNIT OF CA AGREEMENT NAME:  N/A	
1. TYPE OF WELL OIL WELL GAS WELL OTHER	8. WELL NAME and NUMBER: Quest 11-25-44-21	
2. NAME OF OPERATOR:	9. API NUMBER: 4304733805	
Enduring Resources, LLC  3. ADDRESS OF OPERATOR: PHONE NUMBER:	10. FIELD AND POOL, OR WILDCAT:	
475 17th Street, Suite 1500 Denver STATE Co 200 80202 (303) 350-5114	Kicker	
4. LOCATION OF WELL  FOOTAGES AT SURFACE: 420" FSL - 460' FEL S.L.B.& M.  QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 21 11S 24E S	county: <b>Uintah</b>	
	STATE: UTAH	
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPO	ORT, OR OTHER DATA	
TYPE OF SUBMISSION TYPE OF ACTION	DEPENDENT CURRENT FORMATION	
NOTICE OF INTENT (Supmit in Duplicate)  A TER CASING  FRACTURE TREAT	REPERFORATE CURRENT FORMATION  SIDETRACK TO REPAIR WELL	
(Submit in Duplicate)	TEMPORARILY ABANDON	
CHANGE TO PREVIOUS PLANS OPERATOR CHANGE	TUBING REPAIR	
CHANGE TUBING PLUG AND ABANDON	VENT OR FLARE	
SUBSEQUENT REPORT CHANGE WELL NAME PLUG BACK	WATER DISPOSAL	
(Submit Original Form Only)  CHANGE WELL STATUS  PRODUCTION (START/RESUME)	WATER SHUT-OFF	
Date of work completion:  COMMINGLE PRODUCING FORMATIONS RECLAMATION OF WELL SITE	OTHER:	
3/16/2006 CONVERT WELL TYPE RECOMPLETE - DIFFERENT FORMATION		
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volunt Resumed production and gas sales on March 16-2006.	mes, etc.	
NAME (PLEASE PRINT) Alvin R. (AI) Arlian TITLE Landman - Reg	ulatory Specialist	
SIGNATURE		

(This space for State use only)

Sundry Number: 13807 API Well Number: 43047338050000

	STATE OF UTAH		FORM 9	
DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING			5.LEASE DESIGNATION AND SERIAL NUMBER: FEE	
SUNDRY NOTICES AND REPORTS ON WELLS			6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
	sals to drill new wells, significantly deepen exi ugged wells, or to drill horizontal laterals. Use		7.UNIT or CA AGREEMENT NAME:	
1. TYPE OF WELL Gas Well			8. WELL NAME and NUMBER: QUEST 11-25-44-21	
2. NAME OF OPERATOR: Enduring Resources, LLC			9. API NUMBER: 43047338050000	
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500,		NUMBER: -5114 Ext	9. FIELD and POOL or WILDCAT: KICKER	
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0420 FSL 0460 FEL			COUNTY: UINTAH	
QTR/QTR, SECTION, TOWNSHI Qtr/Qtr: SESE Section: 21	IP, RANGE, MERIDIAN: Township: 11.0S Range: 25.0E Meridian: S		STATE: UTAH	
11. CHE	CK APPROPRIATE BOXES TO INDICATE I	NATURE OF NOTICE, REPORT	, OR OTHER DATA	
TYPE OF SUBMISSION		TYPE OF ACTION		
_	☐ ACIDIZE ☐	ALTER CASING	CASING REPAIR	
Approximate date work will start:	☐ CHANGE TO PREVIOUS PLANS	CHANGE TUBING	☐ CHANGE WELL NAME	
4/14/2011	☐ CHANGE WELL STATUS	COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE	
SUBSEQUENT REPORT	☐ DEEPEN ☐	FRACTURE TREAT	☐ NEW CONSTRUCTION	
Date of Work Completion:	☐ OPERATOR CHANGE	PLUG AND ABANDON	☐ PLUG BACK	
	☐ PRODUCTION START OR RESUME ☐	RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION	
SPUD REPORT Date of Spud:	☐ REPERFORATE CURRENT FORMATION ☐	SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON	
	☐ TUBING REPAIR ☐	VENT OR FLARE	☐ WATER DISPOSAL	
☐ DRILLING REPORT	☐ WATER SHUTOFF ☐	SI TA STATUS EXTENSION	☐ APD EXTENSION	
Report Date:	☐ WILDCAT WELL DETERMINATION ☐	OTHER	OTHER:	
	PRINCE OPERATIONS. Clearly show all pertine on DOG&M, plan to plug well as so Proposed P & A Procedure.	et forth in the attached	Approved by the Utah Division of Oil, Gas and Mining Date: 04/13/2011	
NAME (PLEASE PRINT) Alvin Arlian	PHONE NUMBER	TITLE Landman-Regulatory		
SIGNATURE	303 350-5114	DATE		
N/A		3/28/2011		

Sundry Number: 13807 API Well Number: 43047338050000



#### The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

**Electronic Permitting System - Sundry Notices** 

#### **Sundry Conditions of Approval Well Number 43047338050000**

- 1. Notify the Division at least 24 hours prior to conducting abandonment operations. Please call Dan Jarvis at 801-538-5338.
- 2. Amend Plug #2: Plug shall be balanced from 575' to surface as required by Board Cause No. 190-13( $\pm$  45 sx).
- 3. All balanced plugs shall be tagged to ensure that they are at the depth specified.
  - 4. All annuli shall be cemented from a minimum depth of 100' to the surface.
  - 5. Surface reclamation shall be done in accordance with R649-3-34 Well Site Restoration.
- 6. All requirements in the Oil and Gas Conservation General Rule R649-3-24 shall apply.
- 7. If there are any changes to the procedure or the wellbore configuration, notify Dustin Doucet at 801-538-5281 (ofc) or 801-733-0983 (home) prior to continuing with the procedure.
  - 8. All other requirements for notice and reporting in the Oil and Gas Conservation General Rules shall apply.

4/5/2011

## Wellbore Diagram

r263

API Well No: 43-047-33805-00-00

Permit No:

Company Name: ENDURING RESOURCES, LLC

Location: Sec: 21 T: 11S R: 25E Spot: SESE

Coordinates: X: 661233 Y: 4411715

Field Name: KICKER County Name: UINTAH Well Name/No: QUEST 11-25-44-21

String Information

~		IIII				1000
	String	Bottom (ft sub)	Diameter (inches)	Weight (lb/ft)	Length (ft)	(gp
	HOL1	500	12.25			_
	SURF	500	8.625	24	500	
	HOL2	3000	7.875			
	PROD	3000	4.5	10.5	3000	11.
	T1	2157	2.375			
	PKR	2137				

Cement from 500 ft. to surface Surface: 8.625 in. @ 500 ft. Hole: 12,25 in. @ 500 ft.

Per Cause 190-13 Indique Cement Information
Plug from suce to surface String (ft sub)

575' to surface)
PROD 3000

575' / (1.15) (11.167) = 455x SURF 500

TOC (ft sub) 280

Class Sacks 999 G PC 108

13201

**Perforation Information** 

**Bottom** Top (ft sub) (ft sub) 2144 2159

Shts/Ft No Shts Dt Squeeze

2050 ement from 3000 ft, to 280 ft. Packer: @2137 ft.

Tubing: 2.375 in. @ 2157 ft.

721591

**Formation Information** 

Below (20 20) (1.15) (11.167) = 256'

Base (10 x) (1.15) (11.167) = 128'

Toce 1922 /ok.

Production: 4.5 in. @ 3000 ft.

Hole: 7.875 in. @ 3000 ft.

TD:

3000 TVD:

3000 PBTD:

2954

Sundry Number: 13807 API Well Number: 43047338050000

### **Quest #11-25-44-21 (was #16-21) Proposed P&A Procedure**

8 5/8" @ 525' TOC at Surface 4 ½" @ 3,000' TOC @ 64' – per CBL

Open Perfs: 2,102'-06'

Tubing 2 3/8 at 2,078' 66 its

PBTD @ 2,122' CIBP

Prior to move in rig up, check anchors and blow down the well NDWH, NUBOP POH with tubing and check RIH with bit to 2,050', POH RIH with CICR and set at 2,050' Squeeze 20 sacks below and 10 on top. Roll hole with produced water and corrosion inhibitor Pressure test casing, if it fails call for orders POH to 575' Spot 20 sacks (100') across shoe POH to 90' circulate cement to surface Cut off wellhead RIH in4 ½" x 8 5/8" annulus with 1" tubing to 50' Circulate cement to surface Weld Plate **RDMO** 

Sundry Number: 18536 API Well Number: 43047338050000

			1
	STATE OF UTAH		FORM 9
DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING			5.LEASE DESIGNATION AND SERIAL NUMBER: FEE
SUNDF	RY NOTICES AND REPORTS	ON WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.			7.UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Gas Well			8. WELL NAME and NUMBER: QUEST 11-25-44-21
2. NAME OF OPERATOR: Enduring Resources, LLC			9. API NUMBER: 43047338050000
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500,		ONE NUMBER: 350-5114 Ext	9. FIELD and POOL or WILDCAT: KICKER
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0420 FSL 0460 FEL			COUNTY: UINTAH
QTR/QTR, SECTION, TOWNSHI Qtr/Qtr: SESE Section: 21	Township: 11.0S Range: 25.0E Meridian:	S	STATE: UTAH
11. CHE	CK APPROPRIATE BOXES TO INDICA	TE NATURE OF NOTICE, REPORT	, OR OTHER DATA
TYPE OF SUBMISSION		TYPE OF ACTION	
	☐ ACIDIZE	☐ ALTER CASING	CASING REPAIR
NOTICE OF INTENT Approximate date work will start:	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	CONVERT WELL TYPE
SUBSEQUENT REPORT Date of Work Completion:	DEEPEN	FRACTURE TREAT	☐ NEW CONSTRUCTION
9/14/2011	OPERATOR CHANGE	✓ PLUG AND ABANDON	☐ PLUG BACK
SPUD REPORT	☐ PRODUCTION START OR RESUME	RECLAMATION OF WELL SITE	RECOMPLETE DIFFERENT FORMATION
Date of Spud:	REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
DRILLING REPORT Report Date:	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	OTHER	OTHER:
12. DESCRIBE PROPOSED OR CO	DMPLETED OPERATIONS. Clearly show all pe		volumes, etc.
	See attached plugging rep	port.	
		,	Accepted by the
			Utah Division of
			il, Gas and Mining
		FOI	R RECORD ONLY
NAME (PLEASE PRINT) Alvin Arlian	PHONE NUMBER 303 350-5114	R TITLE Landman-Regulatory	
SIGNATURE	JUJ JJU-J114	DATE	
N/A		9/16/2011	

Sundry Number: 18536 API Well Number: 43047338050000

### Quest 11-25-44-21 Subsequent Plugging Report

#### 9/14/2011

Move in and rig up Western Wellsite Well Service. ISIP 300/300. Blew down tubing and casing. ND WH. NU BOPE. Trip out of hole ("TOOH") tallying 66 joints tubing. Lay down 2 joints tubing. Run bit to 2057'. TOOH. Pick up 4.5" CICR and set @ 2015'. Load hole with 25 BFW with corrosion inhibitor. Pressure test casing to 1000 psi. Mix and pump 30 sacks Class G cement, 10 sacks under squeezed off @ 1200 psi, 20 sacks on top of CICR. TOOH. ND BOPE. Trip in hole ("TIH") open-ended to 584'. Mix and pump 45 sacks Class G cement from 584' to surface. TOOH lay down remaining tubing. Rig down pulling unit. SDFN. Cement plugs witnessed by Mr. Dave Hackford, DOGM.

#### 9/15/2011

Pre job safety meeting. Dig out wellhead, cut off wellhead. Fill annulus from 80' to surface with 15 sacks Class G cement. Top off 4.5" casing with 5 sacks Class G cement. Fill conductor pipe with 5 sacks Class G cement. Weld on information plate. Backfill and move off rig.

Sundry Number: 19641 API Well Number: 43047338050000

	STATE OF UTAH		FORM 9
DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING			5.LEASE DESIGNATION AND SERIAL NUMBER: FEE
SUNDF	RY NOTICES AND REPORTS	ON WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
Do not use this form for proposottom-hole depth, reenter plu DRILL form for such proposals.	sals to drill new wells, significantly deeper ugged wells, or to drill horizontal laterals.	n existing wells below current Use APPLICATION FOR PERMIT TO	7.UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Gas Well			8. WELL NAME and NUMBER: QUEST 11-25-44-21
2. NAME OF OPERATOR: Enduring Resources, LLC			9. API NUMBER: 43047338050000
<b>3. ADDRESS OF OPERATOR:</b> 511-16th Street, Suite 700, E		ONE NUMBER: 350-5114 Ext	9. FIELD and POOL or WILDCAT: KICKER
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0420 FSL 0460 FEL			COUNTY: UINTAH
QTR/QTR, SECTION, TOWNSHI Qtr/Qtr: SESE Section: 21	IP, RANGE, MERIDIAN: Township: 11.0S Range: 25.0E Meridian:	S	STATE: UTAH
11. CHE	CK APPROPRIATE BOXES TO INDICA	TE NATURE OF NOTICE, REPORT,	OR OTHER DATA
TYPE OF SUBMISSION		TYPE OF ACTION	
Reseeded the locati 24# Russian Wild Ryo 8# Lewis Blue Fl reclamation done. C	ACIDIZE		
NAME (PLEASE PRINT)	PHONE NUMBER	R TITLE	
Alvin Arlian	303 350-5114	Landman-Regulatory	
<b>SIGNATURE</b> N/A		<b>DATE</b> 10/20/2011	